

Nebraska Legislative Planning Committee

Nebraska's Economy

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July 23, 2010

This benchmark examines Nebraska's economy by reviewing four broad areas: Income, poverty, and comparative costs; Employment; Business climate and business start-ups; and Workforce quality, technology, and innovation. When available, data are presented for the period 1980 to 2008. At other times, the period is 2000 to 2008. The most currently available data at the time the data files were put together are used. For most indicators this is 2008.

Income, Poverty and Comparative Costs

Generally, measures of Nebraska's income are slightly below the national average. The U.S. Bureau of Economic Analysis reports that Nebraska's per capita personal income for 2008 was \$39,150, which was 97 percent of the national average. Although there have been year-to-year fluctuations, since 1989, Nebraska's per capita income has been growing faster than the nation's. Between 2007 and 2008, Nebraska's growth was 4.1 percent compared to 2.9 percent for the U.S. Regionally, Nebraska's rural counties recorded lower incomes but higher growth between 2006 and 2007 than the metropolitan counties. Rural counties received a higher portion of their income from farming and transfer receipts (such as Social Security).

As measured by the U.S. Census Bureau, median household income in 2008 also fell below the national figure, \$49,693 compared to \$52,029, and this gap has remained relatively stable since 2000. Within the state, Nebraska's rural counties again reported median household incomes below those in the metropolitan counties.

The U.S. Census Bureau also measured the poverty rate for persons in 2008. Using this measure, Nebraska fared better than the nation with a poverty rate of 10.6 percent compared to 13.2 percent for the nation. With the exception of eastern Douglas County, Nebraska's urban areas experienced much lower poverty rates than the rural areas.

Comparative costs were lower for Nebraska. In 2008, the average wage and salary disbursements per job were \$37,696 in Nebraska and \$45,716 for the U.S. Lower wages and salaries may mean lower costs of business, but they also may explain relatively lower incomes for Nebraskans.

The relative cost of housing is another indicator in this section. In 2008, the median housing value was 2.55 times the value of the median household income for Nebraska compared to a ratio of 3.80 for the nation. Similar to other indicators, rural counties in Nebraska have lower costs than its urban counties.

Employment

With the exception of four years, employment in Nebraska has increased every year since 1980. Between 2007 and 2008 employment in Nebraska grew 1.6 percent compared to 1.0 percent nationally. The 2007-08 period marked the first time since 1996 that Nebraska's employment growth was larger than the nation's.

Historically, Nebraska has had one of the lowest unemployment rates in the nation. It was less than half the national rate in 2009—4.6 percent compared to 9.3 percent. Even accounting for underemployment and workers who left the labor force, Nebraska's adjusted unemployment rate rose to 9.0 percent. The comparable national rate was 16.2 percent.

Business Climate and Business Start-ups

The term business climate means different things to different people, and the results of business climate studies may vary widely. It is important to remember measures of business climate are subjective and reflect the bias of the organization preparing the measure. The two indicators used in this analysis suggest that Nebraska's business climate is good. "Forbes Magazine Best States for Business: 2009" ranked Nebraska 9th nationally, and "CNBC's America's Top States for Business: 2009 Overall Rankings" ranked Nebraska 11th overall.

On the other hand, Nebraska ranked relatively low in business start-ups. The percentage change in new establishments between 2005 and 2006 was 10.4 percent for Nebraska and 12.4 percent for the U.S. Although this difference may appear small, the 10.4 percent growth in new establishments for Nebraska ranked 43th in the nation. Since Nebraska ranked relatively high for business climate, is there some other explanation for the lack of entrepreneurship? A question that can be raised is, "Are Nebraskans unwilling to assume risk, or do they lack ideas?"

Workforce Quality, Technology, and Innovation

One answer to the above question may be found by looking at Nebraska's workforce quality and technology and innovation. One measure of workforce quality is the percentage of the workforce in science and engineering occupations. In 2006, 3.44 percent of the state's workforce was in these occupations, which was slightly below the national rate of 3.72 percent.

Another aspect of workforce quality is the amount of education for Nebraskans 25 years or over. Compared to the nation, in 2008, Nebraskans reported a higher level of high school completion (NE—90.1 percent, US—85.0 percent); about the same percentage of bachelor's degrees (NE—27.1 percent, US—27.7 percent); and a lower level of advanced degrees (NE—8.6 percent, US—10.2 percent).

A final measure of workforce quality is worker productivity as measured by gross state product per worker in 2008. Nebraska's productivity averaged \$72,135 per worker and ranked 35th nationally. The national average was considerably higher at \$85,306 per worker.

Succeeding in the new economy, or any economy, takes innovation. The top states for business prize innovation, nurture new ideas, and have the infrastructure to support them. Two indicators of

innovation show that Nebraska falls near the middle of the pack nationally. CNBC's America's Top States for Business: 2009 Technology and Innovation ranks Nebraska 32nd. The 2007 State New Economy Index prepared by the Information Technology and Innovation Foundation ranks Nebraska 28th.

Observations

The above analysis has shown that Nebraska lags the nation in per capita and average income, average wages and salaries, and in employment growth. Although the business climate is good, entrepreneurship and technology and innovation rank below most states. In their report, the Information Technology and Innovation Foundation said "States that focus their policy efforts in these areas (innovation and technology) will be well positioned to experience strong growth, particularly in per capita incomes. And that is the true objective. Developing a vibrant New Economy is not an end in itself; it is the means to advance larger, progressive goals: higher incomes, new economic opportunities, more individual choice and freedom, greater dignity and autonomy for working Americans, and stronger communities."

Policy Considerations

Although economic and community development is a long-term and incremental process, state government actions can have considerable impact on its size and direction. Some of these impacts may be direct results of state policies while others may be indirect. State community and economic development strategies can be categorized in a number of ways. Following is a list "Specific Economic Development Strategies" developed by the University of Kentucky:

- Entrepreneurship, Business Start-Ups, Microenterprise
- Business Retention and Expansion
- Business Recruitment
- Financial Assistance to Businesses
- Workforce Development
- Telecommunications and E-commerce
- Conservation-Based and Sustainable Development
- Value-Added Processing and Marketing
- Tourism and Main Street Programs

There are many actions that can address these strategies. Some of these are programs or incentives that directly address a strategy, but there are other policy tools available to the state. The state also can impact economic development through its regulatory policies, fiscal and other assistance to local governments, and general tax policies.

The state of Nebraska has numerous current programs and services that address the economic development strategies. Many of them are administered by the Department of Economic Development, along with other agencies.

Below are some these programs and services. For more information on these and other programs, check the DED's web site.

- Targeted Industries
- The Nebraska Advantage package of incentives
- Community Development Block Grant (CDBG) Program
- The Customized Job Training Program
- Nebraska Microenterprise Partnership Fund
- Local Option Municipal Economic Development Act
- Rural Enterprise Assistance Project
- Nebraska Enterprise Opportunity Network
- Invest Nebraska Corporation
- Tax increment financing
- Nebraska Investment Finance Authority
- Nebraska Economic Development Corporation

In deciding what strategies or policies that should be developed, policy makers face a number of issues that involve the location of economic development activity. Among the major questions are the following:

- Should development policy focus on people or places?
- Should policies focus on areas most in need or on areas with the greatest chance of success?
- Should state development efforts that emphasize equity or economic efficiency?

People or Places? Advocates of people oriented policies suggest that policies should focus on people rather than the place in which they live. This may result in people moving from some areas of the state and may have negative impacts on rural areas. Advocates of place oriented strategies argue that it is more effective to use existing infrastructure investments, and policies should help people stay where they currently live.

Areas of Need or Growth Areas? Supporters of assisting areas in need suggest that it only makes sense to help those places most in need because economic development programs are designed to improve a local economy. On the other hand, supporters of a growth center strategy argue that it is better to focus efforts on those areas that have been growing. This would help the most people, and those persons living outside the growth center could commute or move to the growing community.

Equity or Economic Efficiency? Arguments for equity center on the idea that differences in incomes and employment opportunities among areas of the state are unacceptable. Policies should be directed to raise incomes of depressed areas and preserve small towns. Arguments for efficiency are based on the fact that the market has failed, and as result some areas of the state have underperformed economically. To improve conditions, the state needs to correct the market imperfections by doing such things as providing technical assistance, leadership training, and improved communication.

Nebraska Legislative Planning Database – Economy

Nebraska's Ranking on Economic Indicators

Indicator	US	NE	NE
	Value	Value	Rank
<u>Poverty</u>			
Poverty Rate for Persons: 2008*	13.2	10.6	16
<u>Personal Income</u>			
Per Capita Personal Income: 2008*	\$40,208	\$39,150	23
Percentage Change in Total Personal Income: 2007-2008*	2.9	4.1	13
Net Farm Income as a Percentage of Total Personal Income: 2008*	0.6	4.9	4
Transfer Receipts as a Percentage of Total Personal Income: 2008*	15.3	14.4	32
<u>Household Income</u>			
Median Household Income: 2009*	\$52,029	\$49,693	29
<u>Employment</u>			
Change in Employment: 2007-2008*	1	1.6	15
Proprietors as a Percentage of Total Employment, 2008*	21.3	20.6	33
<u>Unemployment</u>			
Annual Unemployment Rate, 2009*	9.3	4.6	2
Annual Alternative Unemployment Rate: 2009	16.2	9	2
<u>Median Housing Value</u>			
Median Housing Value: 2008*	\$197,600	\$126,500	40
<u>Business Climate</u>			
Forbes Magazine Best States for Business: 2009	--	--	9
America's Top States for Business: 2009 Overall Rankings	--	--	11
<u>Business Startups</u>			
Percentage Change in New Establishments: 2005-06	12.4	10.4	43
<u>Workforce Quality</u>			
Individuals in Science and Engineering Occupations as Share of Workforce: 2006	3.72	3.44	21
Worker Productivity (Gross State Product per Worker): 2008	\$85,306	\$72,135	35
Percentage of People 25 Year or Over Who Have Completed High School (Includes Equivalency): 2008*	85	90.1	11
Percentage of People 25 Years or Over Who Have Completed a Bachelor's Degree: 2008*	27.7	27.1	23

(Continued)

Indicator	US	NE	NE
	Value	Value	Rank
Percentage of People 25 Years or Over Who Have Completed an Advanced Degree: 2008*	10.2	8.6	31
<u>Technology and Innovation</u>			
America's Top States for Business 2009: Technology and Innovation	--	--	32
The 2007 State New Economy Index	--	--	28
<u>Comparative Costs</u>			
Average Annual Wage and Salary Disbursements per Job: 2008*	\$45,716	\$37,696	39
Ratio of Media Housing Value to Median Household Income: 2008*	3.8	2.55	7

*These indicators also are available at the region and county level.

Nebraska Legislative Planning Database – Economy

Poverty

Poverty imposes far-reaching hardships, not only on the poor but also on all who share their communities. Nebraska has one of the lowest poverty rates in the nation -- it was ranked 16th in the nation in 2008.

How is Nebraska Doing?

Poverty Rate for Persons: 2008

Source: U.S. Bureau of the Census, Current Population Survey, Annual Social and Economic Supplements

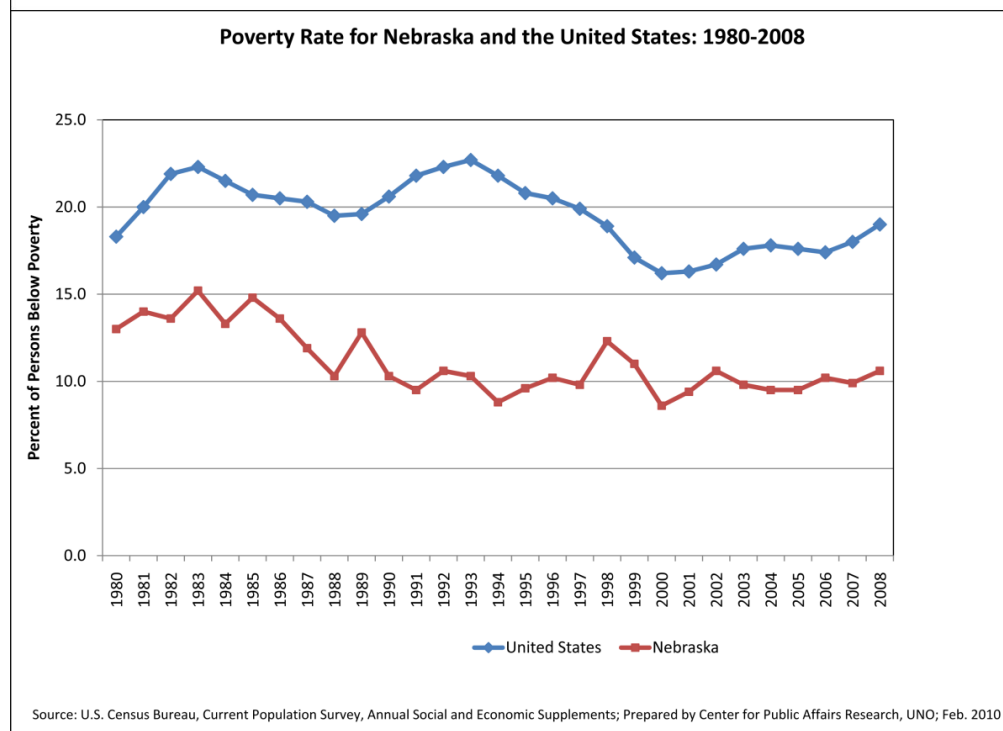
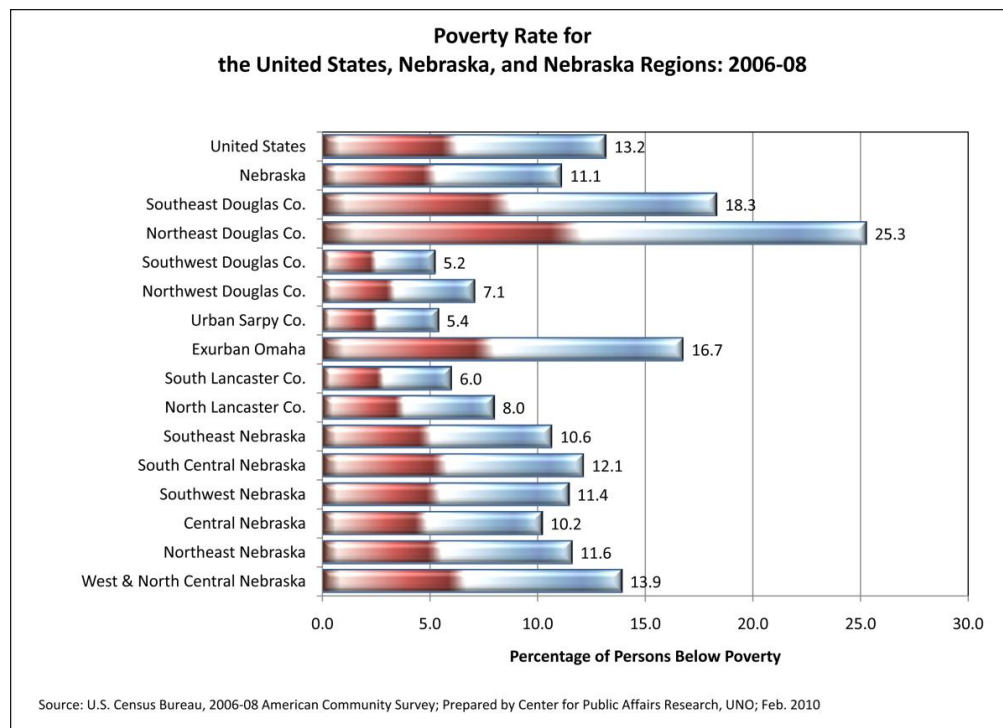
State	Percent	Rank
United States	13.2	--
Iowa	9.5	8
Minnesota	9.9	12
Wyoming	10.1	13
Nebraska	10.6	16
Colorado	11.0	19
North Dakota	11.8	22
Kansas	12.7	26
South Dakota	13.1	31
Missouri	13.3	32

In 2008, Nebraska had the 16th lowest poverty rate in the nation. During 2008, 10.6 percent of Nebraskans fell below the federal poverty level. Among Nebraska's peers in 2008, Iowa had the lowest rate of 9.5 percent, followed by Minnesota at 9.9 percent and Wyoming at 10.1 percent. Colorado, North Dakota, Kansas, South Dakota, and Missouri all had poverty rates exceeding those of Nebraska. New Hampshire ranked top in the nation with a poverty rate at 7.0 percent. The national average was 13.2 percent in 2008.

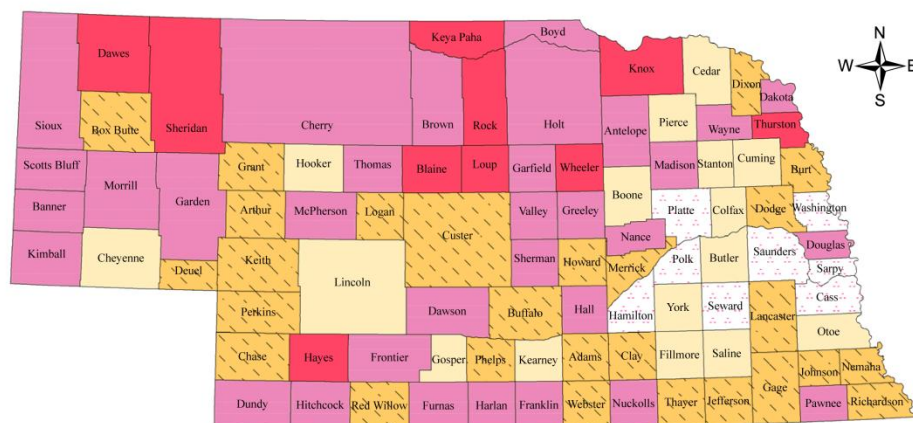
Since 1980, Nebraska consistently has had a poverty rate significantly below the national rate. During the 1990s the US rate increased, while Nebraska's rate declined. Since 2000 Nebraska has experienced a slight increase in the poverty rate compared to a much larger increase nationally (see map).

Looking at Nebraska regions during the 2006-08 period Northeast Douglas County had the highest percentage of individuals living below the poverty level (25.3 percent) of any region in the state, followed by Southeast Douglas County (18.3 percent) and the exurban Omaha area (16.7 percent). At the other end of the scale, the Southwest Douglas County (5.2 percent) and urban Sarpy County (5.4 percent) had the lowest percentage of individuals living below the poverty level. Most of the rural regions of the state had poverty rates close to the state average, with the West and North Central regions reporting the highest rate (13.9 percent).

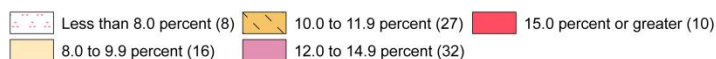
Counties with the highest poverty rates generally lie in the Western and North Central part of Nebraska. The lowest rates can be found in South Central and Southeastern Counties.



Poverty Rate for Individuals in Nebraska Counties, 2008



2008 Poverty Rate for Individuals
Nebraska = 10.8 percent



Source: 2008 Small Area Income and Poverty Estimates (SAIPE), U.S. Census Bureau, released November 2009

Meeting Needs

Poverty status is a vital measure of general economic circumstances. Poverty data are used to measure economic well-being and to assess the need for assistance. These data are included in federal allocation formulas for many government programs.

Community Benefits

Social Services

Under the Older Americans Act, funds for food, health care, and legal services are distributed to local agencies based on data about elderly people with low incomes. Data about income at the state and county levels are used to allocate funds for food, health care, and classes in meal planning to low-income women with children.

Employment

Income data are used to identify local areas eligible for grants to stimulate economic recovery, run job-training programs, and define areas such as empowerment or enterprise zones.

Housing

Under the Low-Income Home Energy Assistance Program, income data are used to allocate funds to areas for home energy aid. Under the Community Development Block Grant Program, funding for

housing assistance and other community development is based on income and other decennial census data.

Education

Data about poor children are used to allocate funds to counties and school districts. These funds provide resources and services to improve the education of economically disadvantaged children.

What Influences Poverty?

Programs and factors related to poverty are employment status, educational attainment, food stamps, Temporary Assistance for Needy Families (TANF), and Medicaid.

Nebraska Legislative Planning Database – Economy

Personal Income

Personal income and its components are used to measure and track economic well-being over time and to make comparisons across states. In 2008, Nebraska's per capita personal income ranked 23rd, and its growth in total personal income ranked 13th nationally.

Personal income is prepared by the US Bureau of Economic Analysis and is defined as the income received by, or on behalf of, all the residents of an area (nation, state, or county) from all sources.

How is Nebraska Doing?

Per Capita Personal Income: 2008

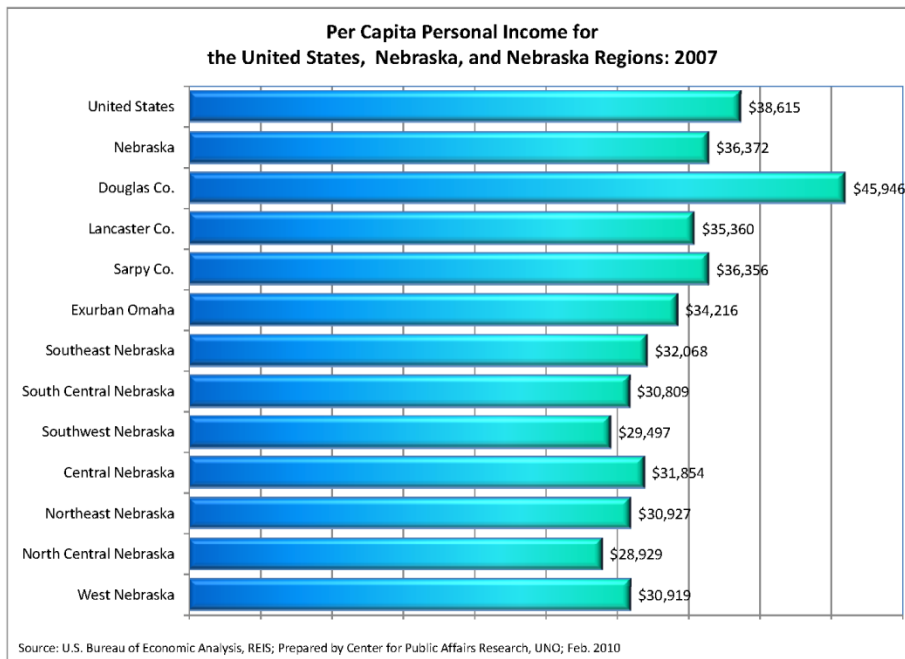
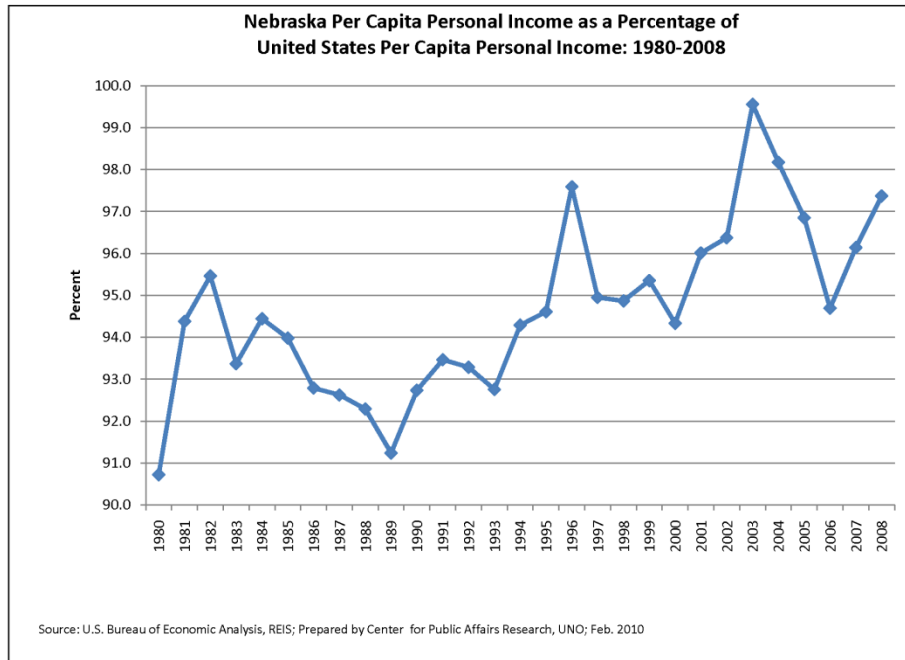
Source: U.S. Bureau of Economic Analysis, Regional Income Division, State Personal Income: 1969-2008

State	Dollars	Rank
United States	40,208	--
Wyoming	48,608	6
Minnesota	43,037	12
Colorado	42,985	13
North Dakota	39,870	21
Nebraska	39,150	23
Kansas	38,820	24
South Dakota	38,661	26
Iowa	37,402	29
Missouri	36,631	30

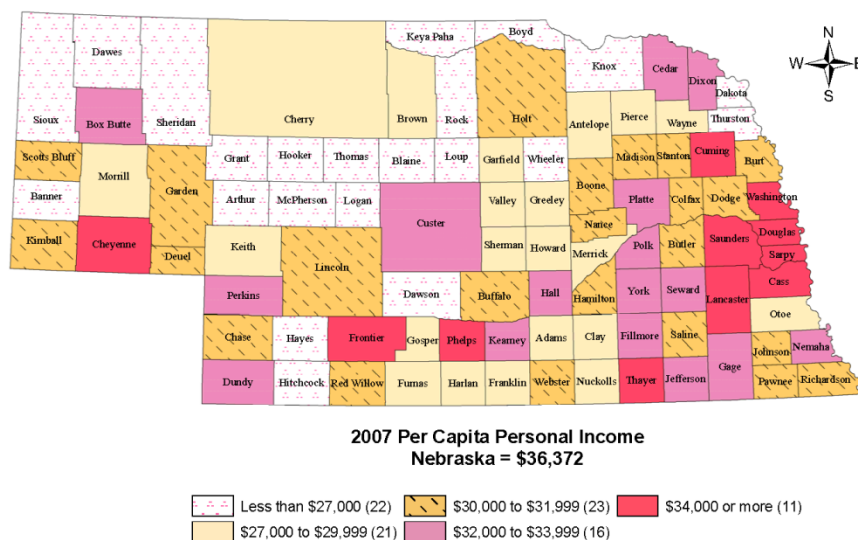
In 2008, Nebraska had the 23th highest per capita personal income in the nation. During 2008, Nebraska's per capita personal income was \$39,150 and was 97.4 percent of the national value. Among Nebraska's peers in 2008, Wyoming had the highest value at \$48,608, followed by Minnesota at \$43,037 and Colorado at \$42,985. These three states exceeded the national average. Kansas, South Dakota, Iowa, and Missouri all had per capita incomes below that of Nebraska. Washington, DC, ranked top in the nation with a per capita income of \$66,119. The national average was \$40,208 in 2008.

Nebraska's per capita income of \$39,150 in 2008 was a little over 97 percent of the national average. Beginning in 1989, Nebraska's per capita personal income began to increase in relation to the national value. Despite this growth, since 1980, Nebraska's per capita income has been below that of the US, only approaching the US value in 2003.

With the exception of Douglas County, all of Nebraska's regions (see map) recorded per capita incomes in 2007 below the national average. Outside the state's three most populous counties, the region surrounding Omaha had the highest per capita income. The lowest per capita incomes were in North Central Nebraska and Southwest Nebraska.



Per Capita Personal Income, 2007



Source: Regional Economic Information System (REIS), U.S. Bureau of Economic Analysis (BEA), May 2009
Prepared by: Center for Public Affairs Research, University of Nebraska Omaha, February 2010

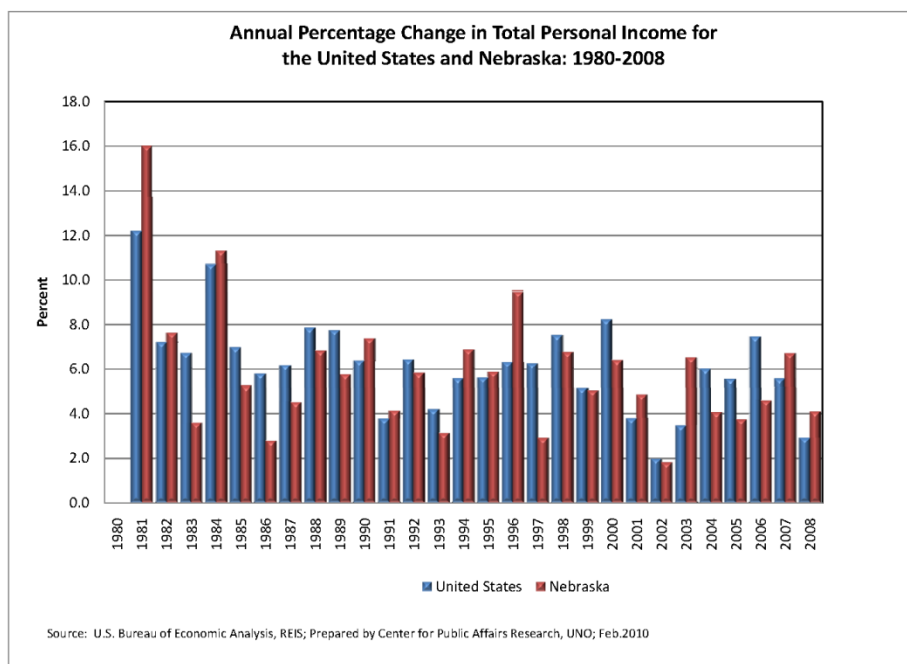
Percentage Change in Total Personal Income: 2007-08

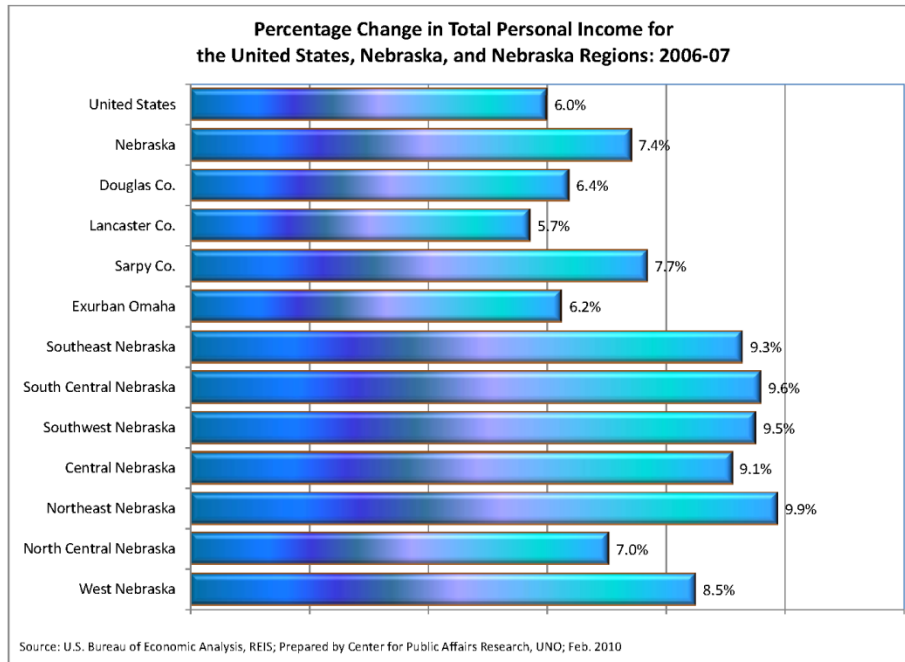
Source: U.S. Bureau of Economic Analysis, Regional Income Division, State Personal Income: 1969-2008

State	Percent Change	Rank
United States	2.9	--
North Dakota	9.3	1
South Dakota	7.1	3
Wyoming	5.9	4
Iowa	5.4	6
Kansas	4.8	9
Missouri	4.3	11
Nebraska	4.1	13
Minnesota	3.8	16
Colorado	3.3	23

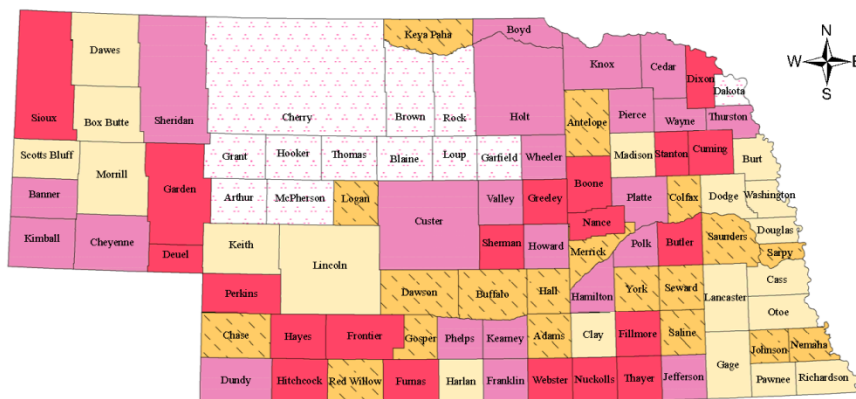
In 2008, Nebraska's personal income totaled \$69.8 billion. The change in Nebraska's total personal income (4.1 percent) between 2007 and 2008 ranked 13th nationally. Among Nebraska's peers during this period, North Dakota led the nation with a growth rate of 9.3 percent. South Dakota ranked third, and Wyoming ranked fourth nationally, with growth rates of 7.1 percent and 5.9 percent respectively. Nebraska and all of its peers exceeded the national average growth rate. Iowa, Kansas, and Missouri had personal income growth rates faster than Nebraska. Minnesota and Colorado all had rates below Nebraska's. The national growth rate in personal income was 2.9 percent in 2008.

Except for Lancaster County, personal income in all regions (see map) of Nebraska grew faster than the US average. The fastest growing regions were led by Northeast Nebraska (9.9 percent) and followed by the South Central (9.6 percent), Southwest (9.5 percent), Southeast (9.3 percent), and Central (9.1 percent) Regions.

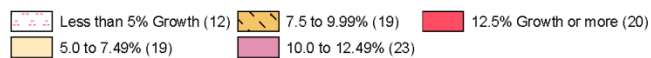




Percent Change in Total Personal Income for Nebraska Counties, 2006-2007



**2006-2007 Percent Change in Total Personal Income
Nebraska = 7.40 percent**



Source: Regional Economic Information System (REIS), U.S. Bureau of Economic Analysis (BEA), May 2009
Prepared by: Center for Public Affairs Research, University of Nebraska Omaha, February 2010

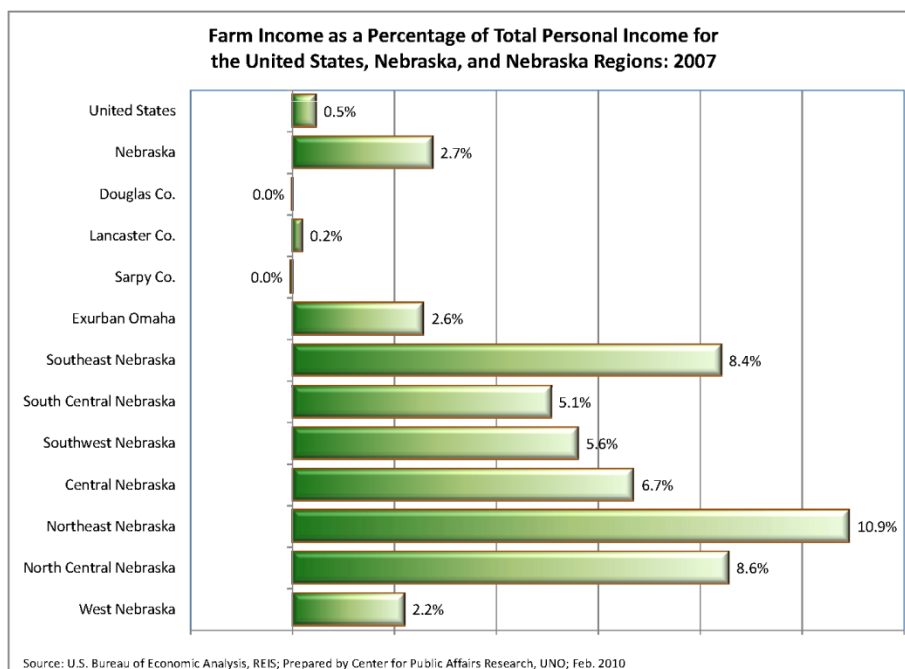
Net Farm Income as a Percentage of Total Personal Income: 2008

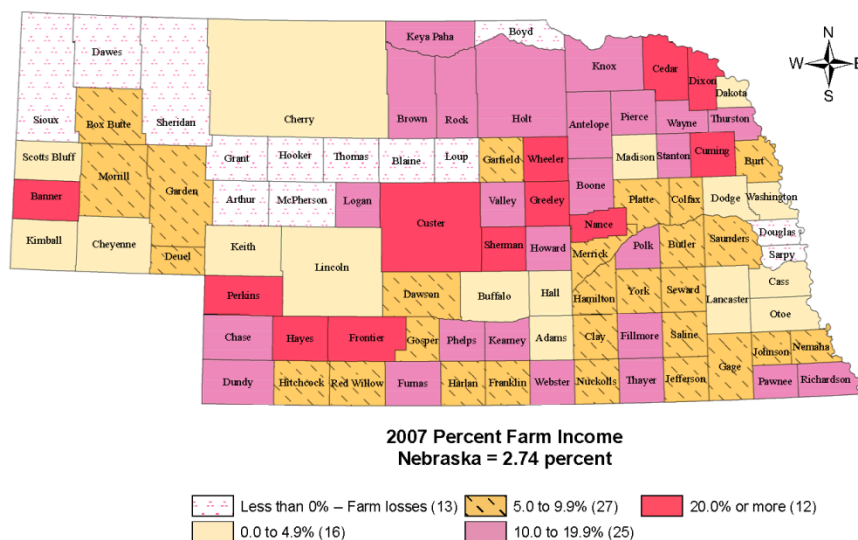
Source: U.S. Bureau of Economic Analysis, Regional Income Division, State Personal Income: 1969-2008

State	Percent	Rank
United States	0.6	--
North Dakota	9.1	1
South Dakota	9.0	2
Iowa	5.3	3
Nebraska	4.9	4
Kansas	2.4	7
Minnesota	1.9	8
Missouri	1.0	13
Colorado	0.5	27
Wyoming	0.3	33

In 2008, Nebraska's net farm income totaled \$3.4 billion. As a percentage, this was 4.9 percent of Nebraska's total personal income and ranked as the fourth highest percentage nationally. North Dakota (9.1 percent) and South Dakota (9.0 percent) recorded the highest percentages of farm income, followed by Iowa at 5.3 percent. Kansas, Minnesota, and Missouri recorded percentages higher than the national average, while Colorado and Wyoming were below the national average. Nationally, 0.6 percent of total personal income came from net farm income.

Net farm income is an important source of income for many of Nebraska's rural regions (see map). In 2007, 10.9 percent of Northeast Nebraska's income came from net farm income. This was followed by North Central Nebraska (8.6 percent) and Southeast Nebraska (8.4 percent). Of the predominantly rural counties, west Nebraska registered the lowest percent of net farm income (2.2 percent).



Farm Income as a Percent of Total Personal Income, 2007

Source: Regional Economic Information System (REIS), U.S. Bureau of Economic Analysis (BEA), May 2009
Prepared by: Center for Public Affairs Research, University of Nebraska Omaha, February 2010

Transfer Receipts as a Percentage of Total Personal Income: 2008

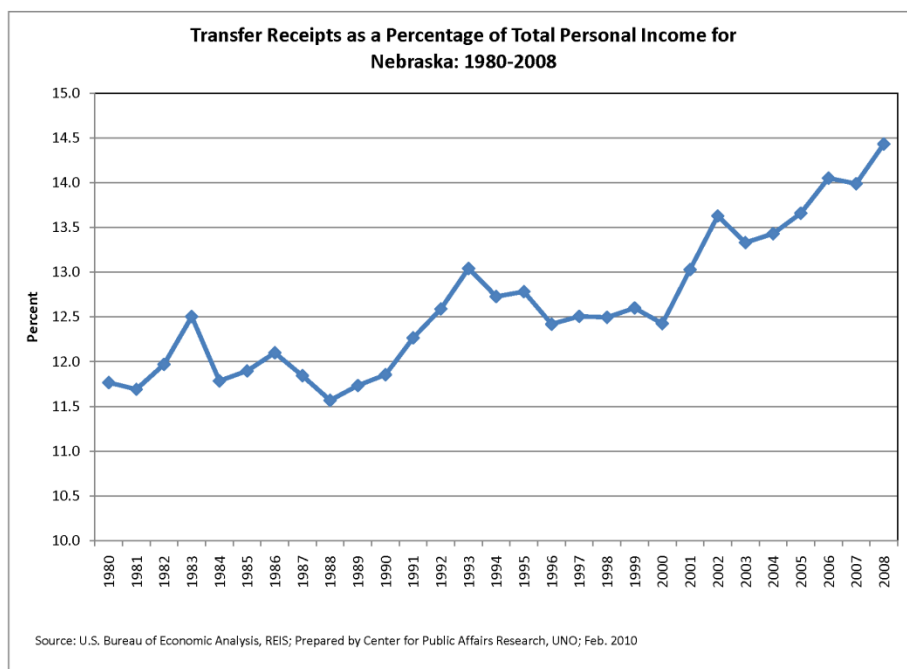
Source: U.S. Bureau of Economic Analysis, Regional Income Division, State Personal Income: 1969-2008

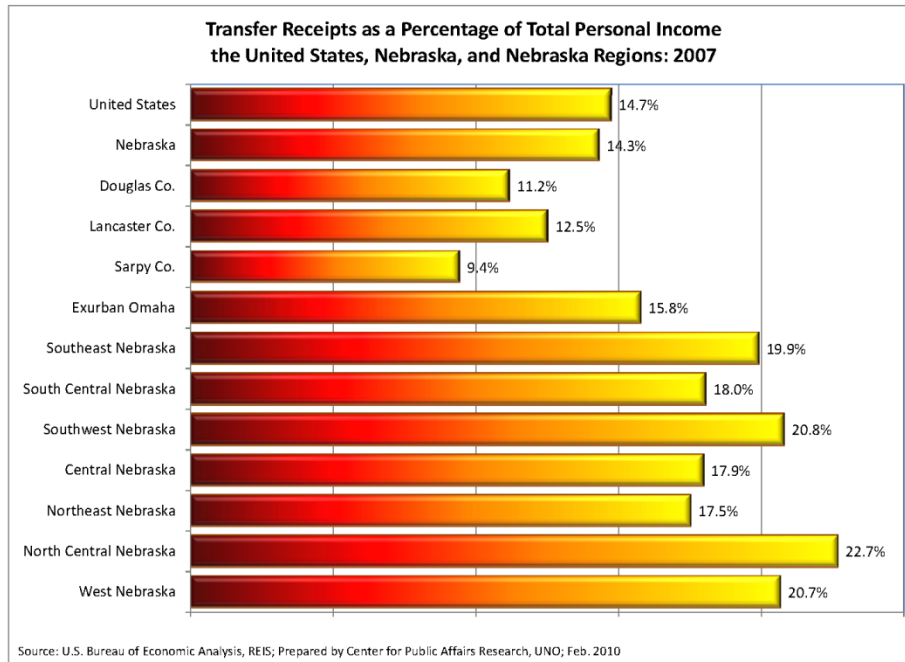
State	Percent	Rank
United States	15.3	--
Missouri	17.6	18
Iowa	15.8	28
North Dakota	14.7	30
Nebraska	14.4	32
Kansas	14.3	34
South Dakota	14.3	35
Minnesota	13.6	36
Wyoming	11.3	49
Colorado	10.4	51

Generally, states in the region are among the lowest in the proportion of personal income received from transfer payments. Only Missouri (17.6 percent) and Iowa (15.8 percent) exceeded the national value of 15.3 percent of personal income received from transfers. In 2008, Nebraska received \$10.1 billion from transfers or 14.4 percent of its personal income. This ranked 32nd among the 50 states and District of Columbia. Kansas, South Dakota, and Minnesota ranked 34th through 36th respectively. Colorado

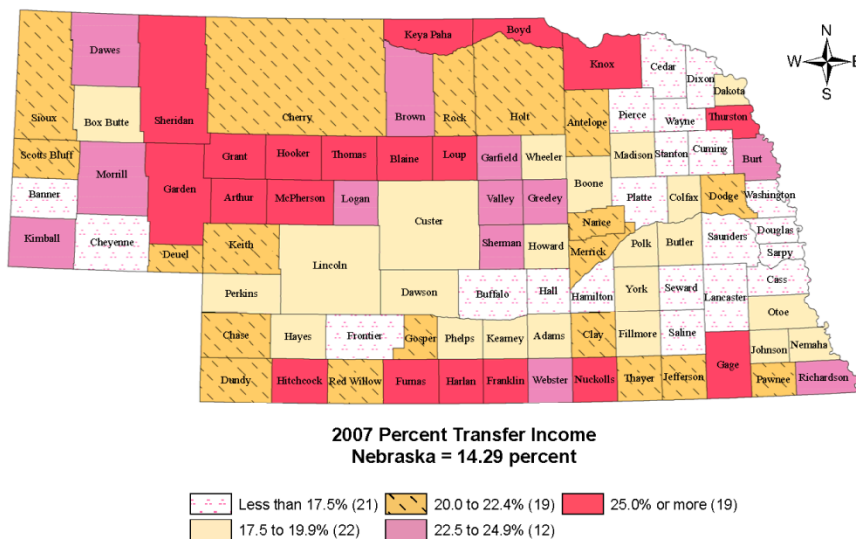
recorded the smallest percentage (10.4 percent) of income from transfer receipts. West Virginia ranked top in the nation, with 25.1 percent of its personal income in the form of transfer. Nationally, the percentage was 15.3 percent.

Transfer receipts were a smaller percentage of personal income in Nebraska's three most populous counties than they were for the US and Nebraska as whole (see map). In contrast, the more rural regions of the state received higher shares of income in the form of transfer receipts. North Central, Southwest, and Northwest Nebraska each received more than 20 percent of their incomes from transfer receipts.





Transfer Receipts as a Percent of Total Personal Income, 2007



Source: Regional Economic Information System (REIS), U.S. Bureau of Economic Analysis (BEA), May 2009
 Prepared by: Center for Public Affairs Research, University of Nebraska Omaha, February 2010

Meeting Needs

The state estimates of personal income and its components, per capita personal income, disposable personal income, employment, and GDP by state are widely used by Federal agencies, state governments, and the private sectors to measure and track economic well-being over time and to make comparisons across states in the level and composition of economic activity and the value added by a state's industries. These estimates provide a framework for the analysis of state economies, and they serve as a basis for decision making.

Community Benefits

State governments use the state estimates of personal income and GDP to measure the economic base of planning areas. They also use the estimates in econometric models for various planning purposes and to project tax revenue and the need for public utilities and services.

Currently, 20 states have set constitutional or statutory limits on state government revenue and spending that are tied to state personal income or to one of its components (National Conference of State Legislatures, State Tax and Expenditure Limits 2008). A majority of the states (including Nebraska) use the quarterly estimates of state personal income to project tax collections

Federal agencies use these estimates in econometric models, such as those used to project energy and water use; they also use the estimates as a basis for allocating funds and for determining matching grants. For example, the distribution of \$230 billion in federal funds is affected by the estimates of state per capita personal income. The estimates of GDP by state are also used to allocate federal funds.

University schools of business and economics use the estimates for theoretical and applied economic research. Some of these schools distribute the estimates in abstracts or similar reports to various state and local government agencies, regional councils of governments, private research groups, businesses, and libraries.

Businesses use the estimates for planning activities, such as evaluating markets for new or established products and determining areas for the location, expansion, and contraction of their activities.

Nebraska Legislative Planning Database – Economy

Median Household Income

Median household income is an important measure of economic well being and general economic circumstances. In 2008, Nebraska's median household income of \$49,693 ranked 29th nationally.

How is Nebraska Doing?

Median Household Income: 2008

Source: U.S. Census Bureau: 2008; American Community Survey: 2008

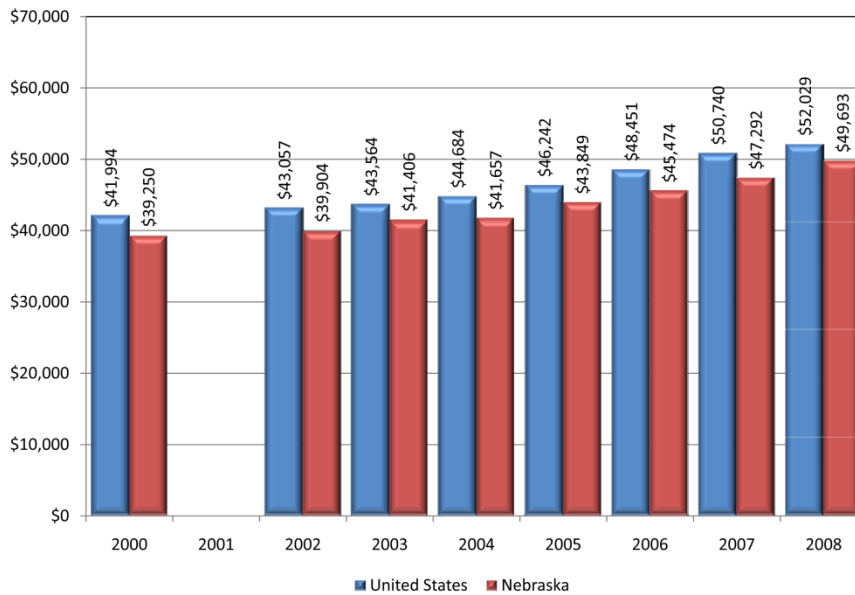
State	Dollars	Rank
United States	52,029	--
Minnesota	57,288	13
Colorado	56,993	14
Wyoming	53,207	20
Kansas	50,177	26
Nebraska	49,693	29
Iowa	48,980	30
Missouri	46,867	36
South Dakota	46,032	39
North Dakota	45,685	40

In 2008, the median household income was \$49,693 in Nebraska. This value ranked 29th nationally. Among Nebraska's peers, Minnesota (\$57,288), Colorado (\$56,993), and Wyoming (\$53,207) exceeded the national average. Kansas also reported household income greater than Nebraska's, while Iowa, Missouri, South Dakota, and North Dakota were below the value for Nebraska. Nationally, the median household income was \$52,029. The state with the highest median household income in 2008 was Maryland with a value of \$70,545. The lowest was Mississippi with a value of \$37,790.

Since 2000, Nebraska's median household income has been growing at about the same rate as the national value, although there have been year-to-year fluctuations. In 2000, Nebraska's median household income of \$39,250 was 93.5 percent of the national value of \$41,994. By 2008, the comparable percentage rose slightly to 95.5 percent.

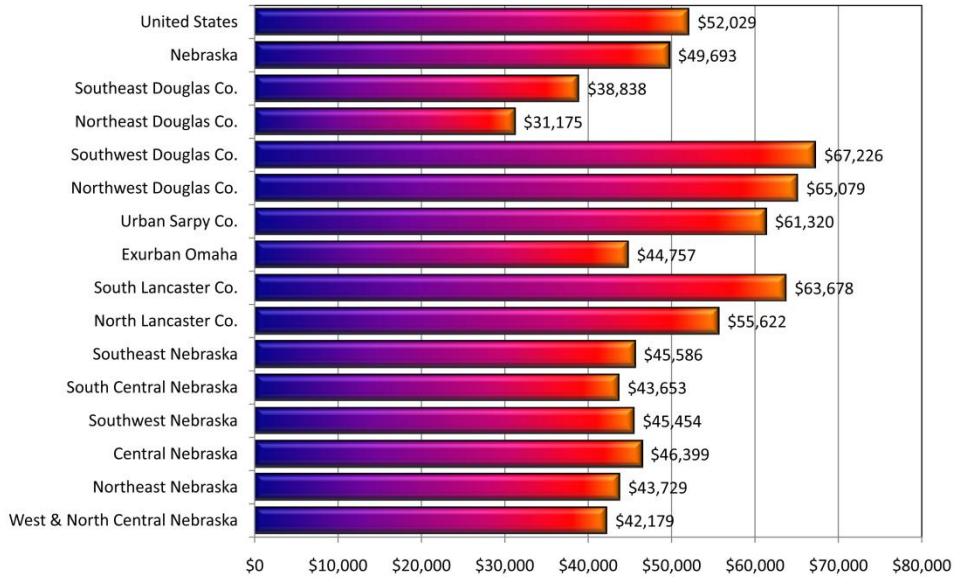
The highest median household incomes were in Nebraska's most urban counties Douglas, Lancaster and Sarpy. The highest values were: Southwest Douglas County (\$67,226), Northwest Douglas County (\$65,079), and South Lancaster County (\$63,678). Outside of the urban counties, all regions recorded median household income below the state value. The lowest incomes were in Southeast Douglas County (\$38,838) and Northeast Douglas County (\$31,175; see map).

**Median Household Incomes for
the United States and Nebraska: 2000-08**



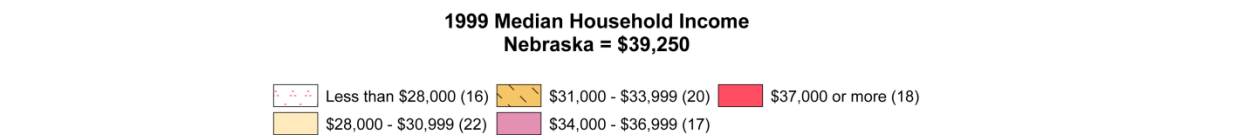
Source: U.S. Census Bureau, 2002 to 2008 American Community Survey; Prepared by Center for Public Affairs Research, UNO; Feb. 2010

**Median Household Incomes for
the United States, Nebraska, and Nebraska Regions: 2008**



Source: U.S. Census Bureau, 2008 American Community Survey; Prepared by Center for Public Affairs Research, UNO; Feb. 2010

Map of the study area showing the location of the study site (Kona Park) relative to the city of Kona and the Pacific Ocean. The map includes a scale bar (0 to 10 km) and a north arrow.



Meeting Needs

Community Benefits

Employment—Income data are used to identify local areas eligible for grants to stimulate economic recovery, run job-training programs, and define areas such as empowerment or enterprise zones.

Education—Data about poor children are used to allocate funds to counties and school districts. These funds provide resources and services to improve the education of economically disadvantaged children.

Nebraska Legislative Planning Database – Economy

Employment

Employment is used to measure and track economic well-being over time and to make comparisons across states. In 2008, Nebraska's employment growth ranked 15th nationally.

Employment in this section is prepared by the US Bureau of Economic Analysis and measures the number of jobs, both full and part-time, in an area.

How is Nebraska Doing?

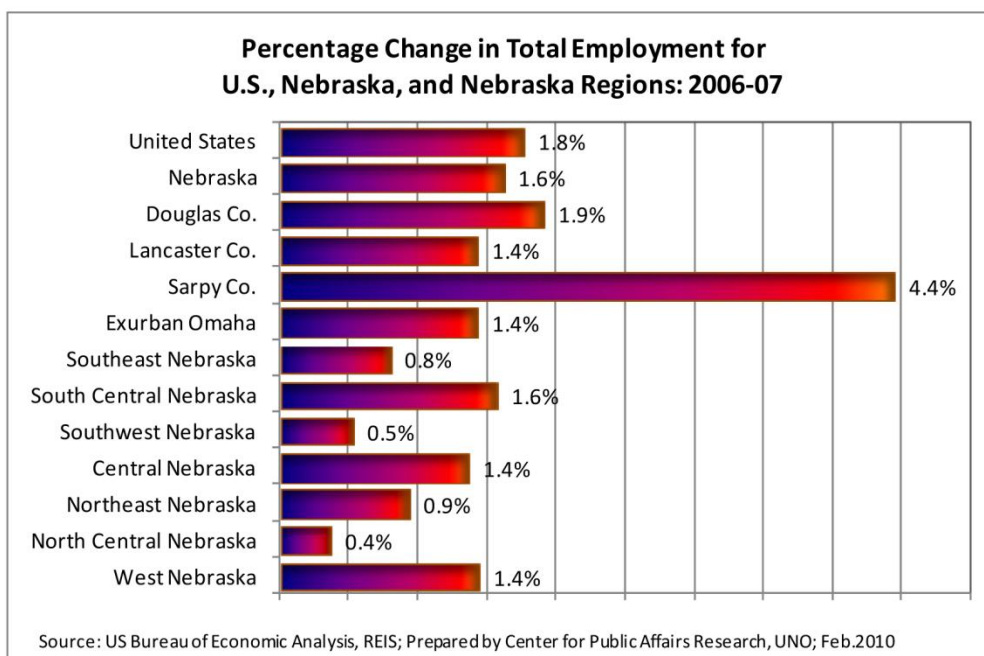
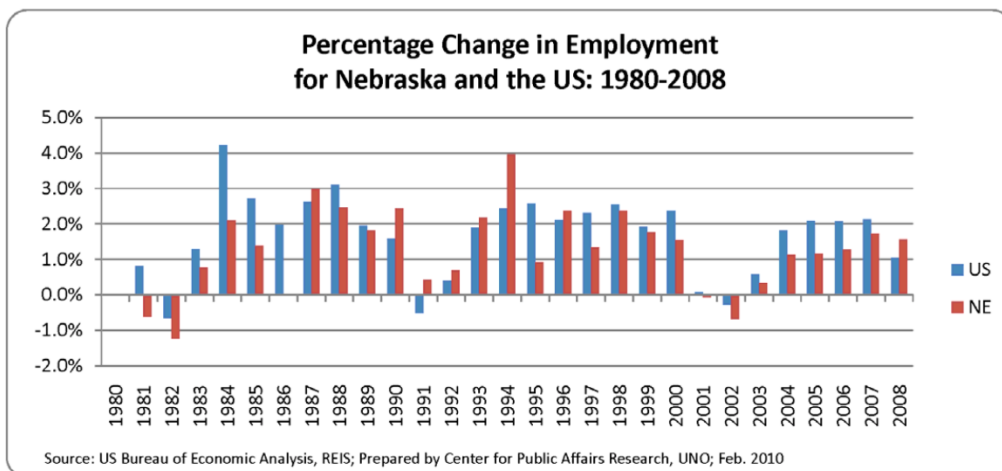
Change in Employment: 2007-08

Source: U.S. Bureau of Economic Analysis, Regional Income Division, State Personal Income: 1969-2008

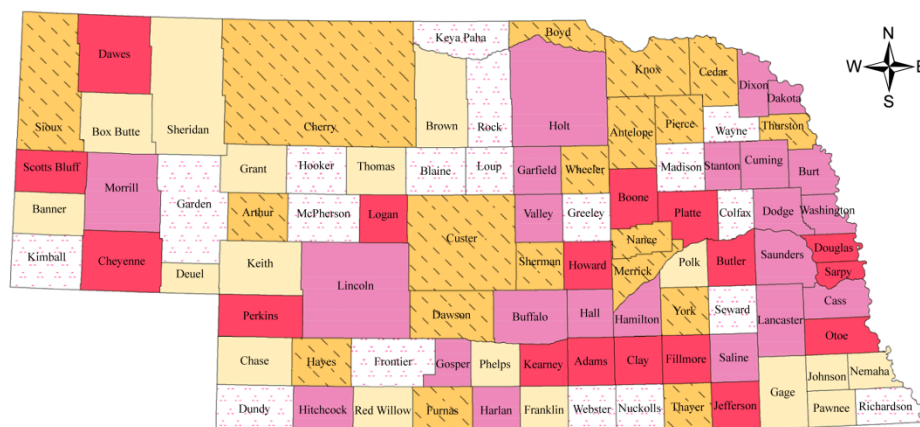
State	Percent Change	Rank
United States	1.0	--
Wyoming	3.9	1
North Dakota	3.1	3
Colorado	2.4	5
South Dakota	2.3	7
Kansas	1.7	11
Nebraska	1.6	15
Iowa	1.5	18
Missouri	1.1	26
Minnesota	0.9	33

In 2008, there were 1,253,549 jobs in Nebraska. The percentage change in Nebraska's employment (1.6 percent) between 2007 and 2008 ranked 15th nationally. Among Nebraska's peers during this period, Wyoming led the nation with a growth rate of 3.9 percent. North Dakota ranked third, with a growth rate of 3.1 percent. Among Nebraska's peers only Minnesota did not exceed the national average growth rate. Colorado, South Dakota, and Kansas had employment growth rates faster than Nebraska; and Iowa, Missouri, and Minnesota all had rates below Nebraska's. The national growth rate in employment was 1.0 percent in 2008.

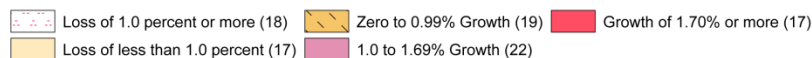
The state as a whole and most of its regions (see map) recorded employment growth below the national average during the 2006-07 period. Sarpy County was the fastest growing with a rate of 4.4 percent. Douglas County was the only other region exceeding the national average with a growth rate of 1.9 percent. North Central Nebraska (0.4 percent), Southwest Nebraska (0.5 percent), Southeast Nebraska (0.8 percent), and Northeast Nebraska (0.9 percent) all had increases in employment below 1 percent.



Percent Change in Total Employment for Nebraska Counties, 2006-2007



2006-2007 Percent Change in Total Employment
Nebraska = 1.61 percent



Source: Regional Economic Information System (REIS), U.S. Bureau of Economic Analysis (BEA), May 2009
 Prepared by: Center for Public Affairs Research, University of Nebraska Omaha, February 2010

Proprietors as a Percentage of Total Employment: 2008

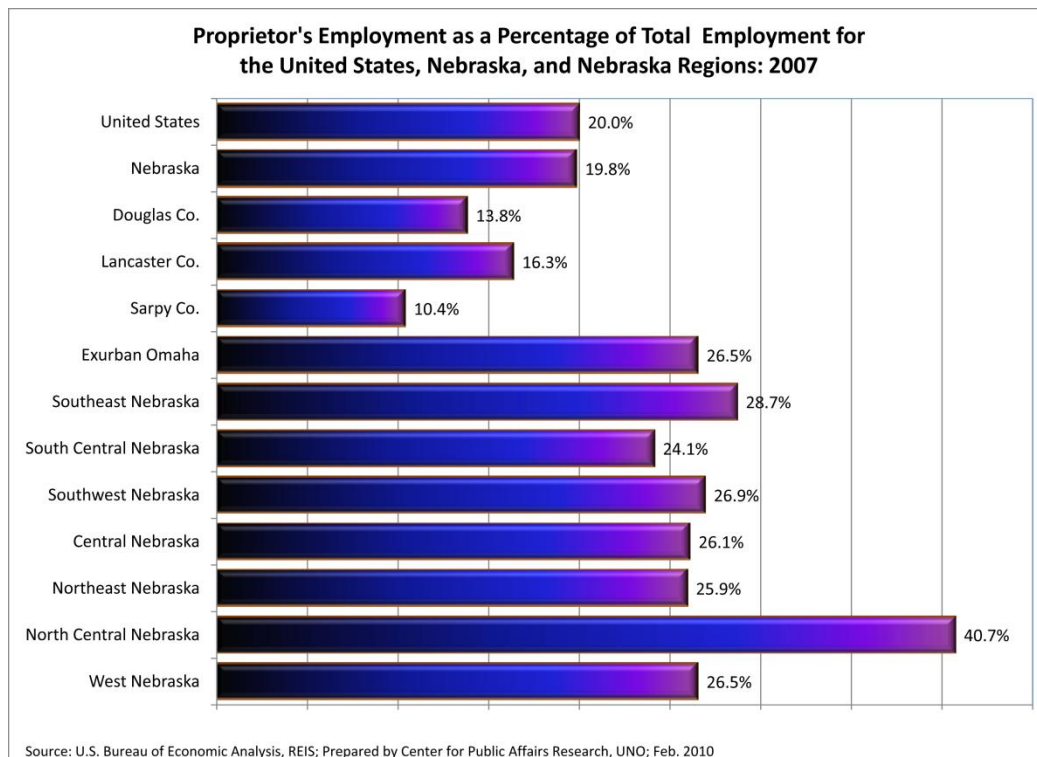
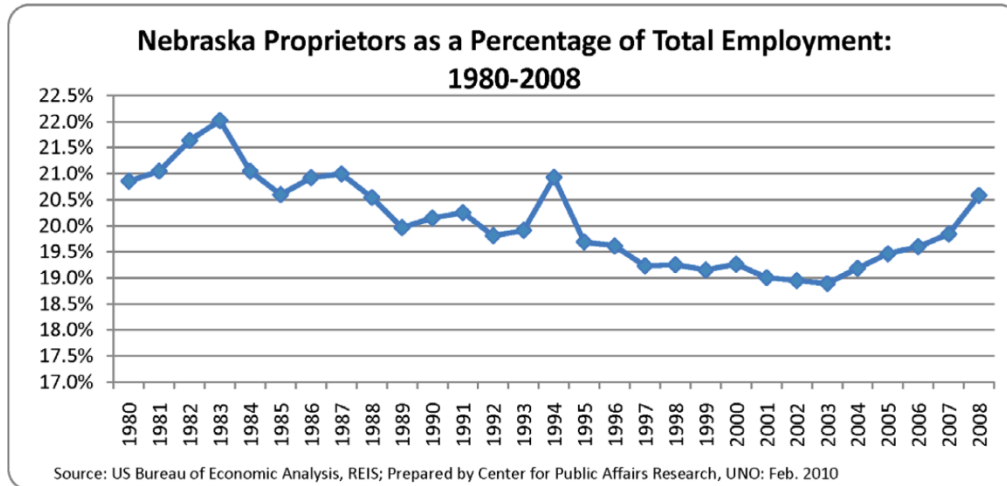
Source: U.S. Bureau of Economic Analysis, Regional Income Division, State Personal Income: 1969-2008

State	Percent	Rank
United States	21.3	--
Colorado	24.6	4
South Dakota	23.9	6
Wyoming	23.9	8
North Dakota	22.8	14
Iowa	21.4	22
Kansas	21.3	23
Missouri	21.1	26
Minnesota	20.7	32
Nebraska	20.6	33

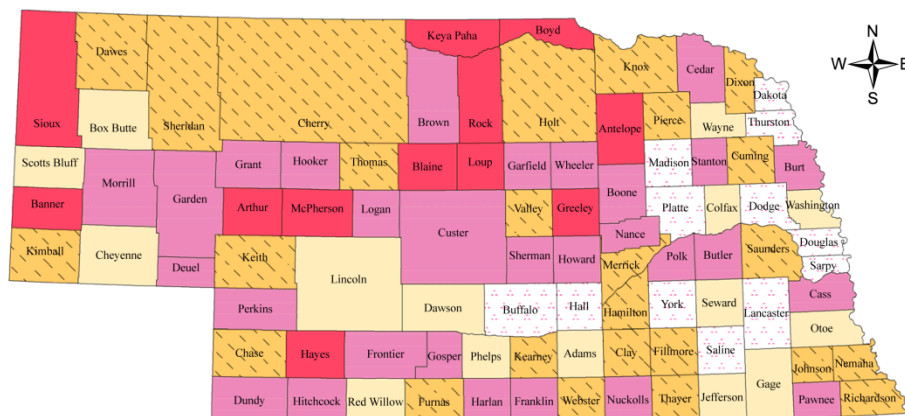
In 2008, Nebraska had a total of 258 thousand nonfarm and farm proprietors. This amounted to 20.6 percent of the state's employment which ranked 33rd nationally and last among the peer states. Colorado (24.6 percent), South Dakota (23.9 percent), and Wyoming (23.9 percent) were among the top ten states in the US. The highest percentage of proprietors was in Montana, as 28.1 percent of the employment was proprietors. Nationally, proprietors accounted for 21.3 percent of all jobs.

Proprietors are a major source of employment in most of Nebraska's regions (see map). Since proprietorships include both small businesses and family farmers, they are important to the more rural

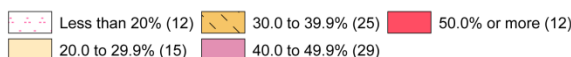
regions in Nebraska. Outside the state's three most populous counties, around one-fourth of the employment in 2007 was proprietor's employment. The sparsely populated North Central region of Nebraska had the highest percentage of proprietors (40.7 percent).



Proprietor's Employment as a Percent of Total Employment, 2007



2007 Percent Proprietor's Employment
Nebraska = 19.81 percent



Source: Regional Economic Information System (REIS), U.S. Bureau of Economic Analysis (BEA), May 2009
Prepared by: Center for Public Affairs Research, University of Nebraska Omaha, February 2010

Meeting Needs

The state estimates employment by state are widely used by Federal agencies, state governments, and the private sectors to measure and track economic well-being over time and to make comparisons across states in the level and composition of economic activity and the value added by a state's industries. These estimates provide a framework for the analysis of state economies, and they serve as a basis for decision making.

Community Benefits

State governments use the state estimates of employment to measure the economic base of planning areas. They also use the estimates in econometric models for various planning purposes and to project tax revenue and the need for public utilities and services.

Federal agencies use these estimates in econometric models, such as those used to project energy and water use.

University schools of business and economics use the estimates for theoretical and applied economic research. Some of these schools distribute the estimates in abstracts or similar reports to various state and local government agencies, regional councils of governments, private research groups, businesses, and libraries.

Businesses use the estimates for planning activities, such as evaluating markets for new or established products and determining areas for the location, expansion, and contraction of their activities.

Nebraska Legislative Planning Database – Economy

Unemployment

Unemployment is an important indicator of an area's economic well being. In 2009, Nebraska's unemployment rate was 4.6 percent and ranked as the second lowest nationally.

How is Nebraska Doing?

Annual Unemployment Rates: 2009

Source: U.S. Bureau of Labor Statistics

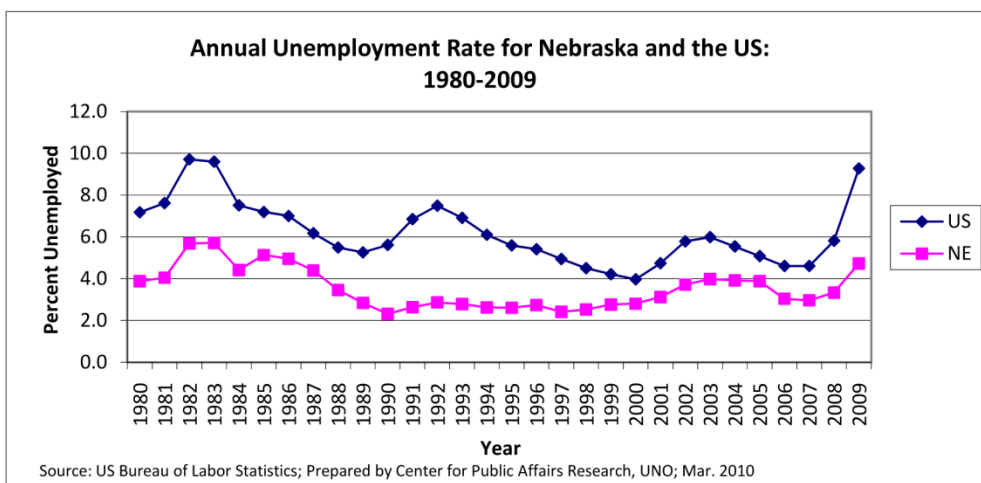
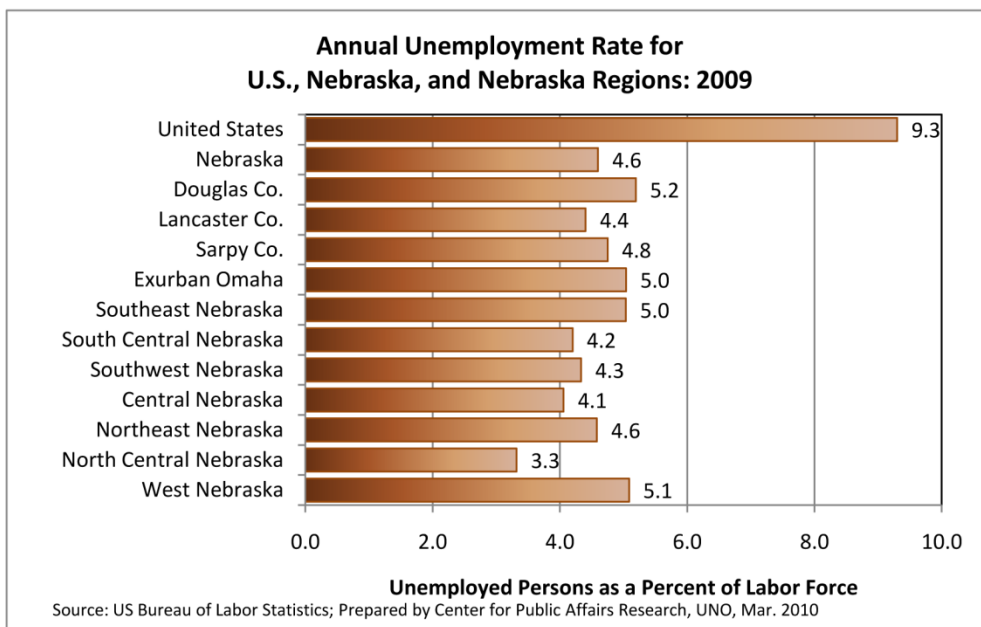
State	Percent	Rank
United States	9.3	--
North Dakota	4.2	1
Nebraska	4.6	2
South Dakota	5.0	3
Iowa	6.3	5
Wyoming	6.5	7
Kansas	6.8	10
Colorado	7.4	15
Minnesota	7.8	19
Missouri	9.4	34

Nebraska and its peer states recorded the lowest unemployment rates in the nation. North Dakota, Nebraska, and South Dakota had the three lowest unemployment rates, with rates of 4.2 percent, 4.6 percent, and 5.0 percent respectively. Only Missouri, at 9.4 percent, exceeded the national value of 9.3 percent. The highest unemployment rate occurred in Michigan with a rate of 13.3 percent.

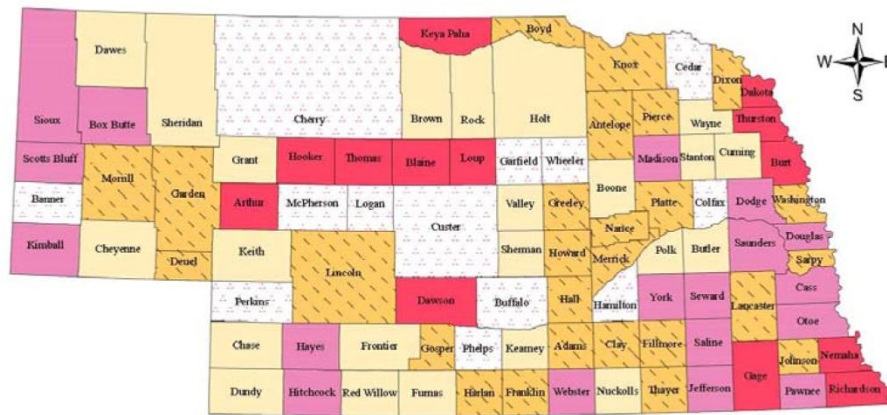
Since 1980, Nebraska's unemployment rate has shown a pattern similar to the national rate, but consistently has fallen below it. The exception to this trend occurred in the 1990s when the national rate rose between 1989 and 1992 and then fell steadily until 2000. In contrast, Nebraska's rate was relatively steady until 2000 and then began to increase.

In 2009, the highest regional unemployment rate in Nebraska was for Douglas County (5.2 percent), followed by West Nebraska, Exurban Omaha, and Southeast Nebraska, all with rates 5.0 percent or higher. The lowest unemployment rate was in North Central Nebraska, with a rate of 3.3 percent (see map).

County unemployment rates in 2008 reflected the regional unemployment rates, with some individual exceptions. County unemployment rates ranged from a high in Thurston County (11.5 percent) to a low of 2.8 percent in Cherry County. Overall, 61 of the state's 93 counties had an unemployment rate below the state's average of 4.6 percent.



Civilian Unemployment Rate, 2008



2008 Annual Unemployment Rate
Nebraska = 3.3%



Source: Local Area Unemployment Statistics (LAUS), Bureau of Labor Statistics (BLS)
Prepared by: Center for Public Affairs Research, University of Nebraska Omaha, February 2010

Annual Alternative Unemployment Rate: 2009

Source: U.S. Bureau of Labor Statistics

State	Percent	Rank
United States	16.2	--
North Dakota	8.0	1
Nebraska	9.0	2
South Dakota	9.9	3
Iowa	11.3	6
Wyoming	11.5	7
Kansas	11.7	8
Colorado	13.7	15
Minnesota	14.2	20
Missouri	15.6	32

Note: The alternative unemployment rate is a more comprehensive measure developed by BLS that includes total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.

The unemployment rate is a rather narrow definition of unemployment. The above table is the broadest of several alternative measures developed by the US Bureau of Labor Statistics. This measure includes the usual definition of unemployment plus discouraged workers and other marginally attached workers and persons employed part time for economic reasons. Using this measure, Nebraska again ranks

second out of the 50 states and District of Columbia. However, the unemployment rate of 9.0 percent is nearly double the size of the official unemployment rate. North Dakota, Nebraska, and South Dakota were the only states with the alternative unemployment rate below 10 percent. Nationally, using this alternative measure, the unemployment rate was 16.2 percent, and Michigan's rate of 21.5 percent was the nation's highest.

Meeting Needs

Unemployment status is key to understanding work the strength of the economy and the availability of workers. Based on labor market areas and unemployment levels, the U.S. Department of Labor identifies service delivery areas and determines amounts to be allocated to each for job training. The impact of immigration on the economy and job markets is determined partially by labor force data, and this information is included in required reports to Congress. The Bureau of Economic Analysis uses this information, in conjunction with other data, to develop its state per capita income estimates used in the allocation formulas and eligibility criteria of many federal programs such as Medicaid.

Community Benefits

For local areas with substantial unemployment, labor force data are used to allocate funds and identify programs that create new jobs. Data are used to target state and local areas with a labor force surplus for programs that promote business opportunities. Within the U.S. Department of Labor, data about the labor force are needed to evaluate job complaints reported on the basis of disability.

Nebraska Legislative Planning Database – Economy

Median Housing Value

The value of home and property is an important measure of neighborhood quality, housing affordability, and wealth. In 2008, Nebraska's median housing value of \$126,500 ranked 40th nationally.

How is Nebraska Doing?

Median Housing Value: 2008

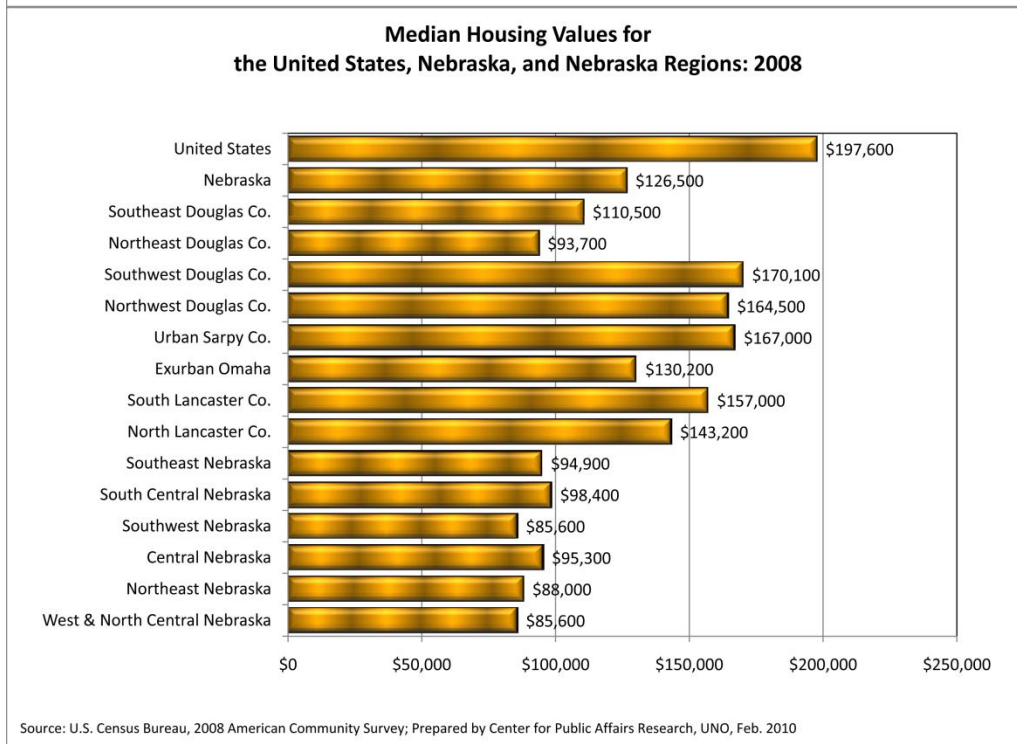
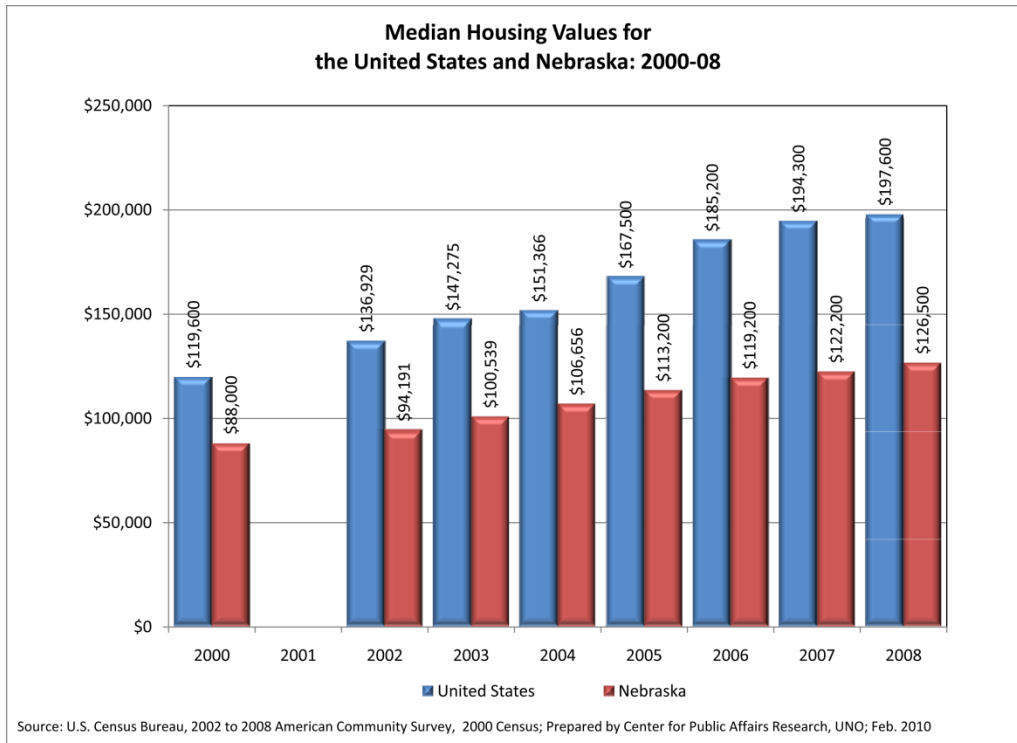
Source: U.S. Census Bureau, 2008 American Community Survey

State	Value	Rank
Unites States	\$197,600	--
Colorado	\$242,200	16
Minnesota	\$213,800	23
Wyoming	\$188,200	24
Missouri	\$141,500	34
Nebraska	\$126,500	40
South Dakota	\$126,200	41
Kansas	\$125,700	42
Iowa	\$120,700	45
North Dakota	\$112,500	47

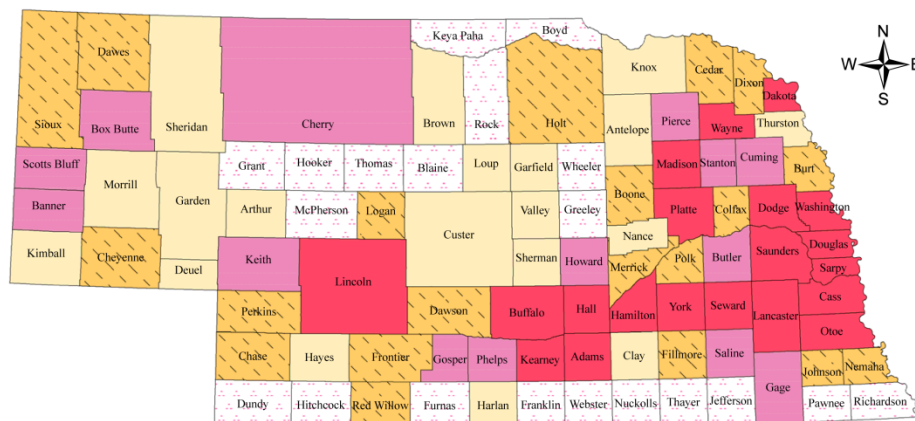
In 2008, the median housing value was \$126,500 in Nebraska. This value ranked 40th nationally. Among Nebraska's peers, only Colorado (\$242,200) and Minnesota (\$213,800) exceeded the national average. Wyoming and Missouri reported housing values greater than Nebraska's, while South Dakota, Kansas, Iowa, and North Dakota were below the value for Nebraska. Nationally, the median housing value was \$197,600. The state with the highest median housing value in 2008 was Hawaii with a value of \$560,200.

Since 2000, Nebraska's median housing value has been growing at a slower rate than the national value, although there have been year-to-year fluctuations. In 2000, Nebraska's median housing value of \$88,000 was 73.6 percent of the national value of \$119,600. By 2008, the comparable percentage dropped to 64.0 percent.

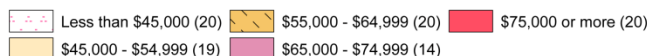
The highest median housing values were in Nebraska's most urban counties Douglas, Lancaster and Sarpy. The highest values were: Northwest Douglas County (\$170,100), Southwest Douglas County (\$164,500), and Urban Sarpy County. Outside of the urban counties, all regions recorded median housing values below \$100,000 (see map).



Median Housing Value, 2000



2000 Median Housing Value
Nebraska = \$86,900



Source: Census 2000, U.S. Census Bureau (Summary File 3, Table H85)
Prepared by: Center for Public Affairs Research, University of Nebraska Omaha, February 2010

Meeting Needs

The value of home and property is an important measure of neighborhood quality, housing affordability, and wealth. These data provide socioeconomic information not captured by household income and comparative information on the state of local housing markets. These data also can be an indicator the relative cost of living of an area.

Community Benefits

Housing - Statistics about housing value are used by local agencies in determining the adequacy of housing units for older people, the cost of maintaining owned units, and the potential usefulness of home equity conversion programs.

Banking - Data about home values are used by the U.S. Department of Housing and Urban Development as an independent check of appraised values for determining the amount of mortgage to be financed.

Social Services - These data are used to allocate funds for home mortgage insurance for the elderly, and lower- and moderate-income and displaced families in programs under the U.S. Department of Housing and Urban Development. Local social service organizations use these data for locating service areas and identifying clients wanting specific services, such as thrift and discount stores, to be located nearby.

Transportation - These data are used in developing transportation plans for local areas by assessing the impact on the value of homes affected by road, bridge, and subway construction, and related problems such as noise and pollution.

Nebraska Legislative Planning Database – Economy

Comparative Costs

Comparative costs generally are lower in Nebraska than the nation. Following are two measures of costs: annual wage and salary disbursements per job and ratio of median housing value to median household income.

How is Nebraska Doing?

Average Annual Wage and Salary Disbursements Per Job: 2008

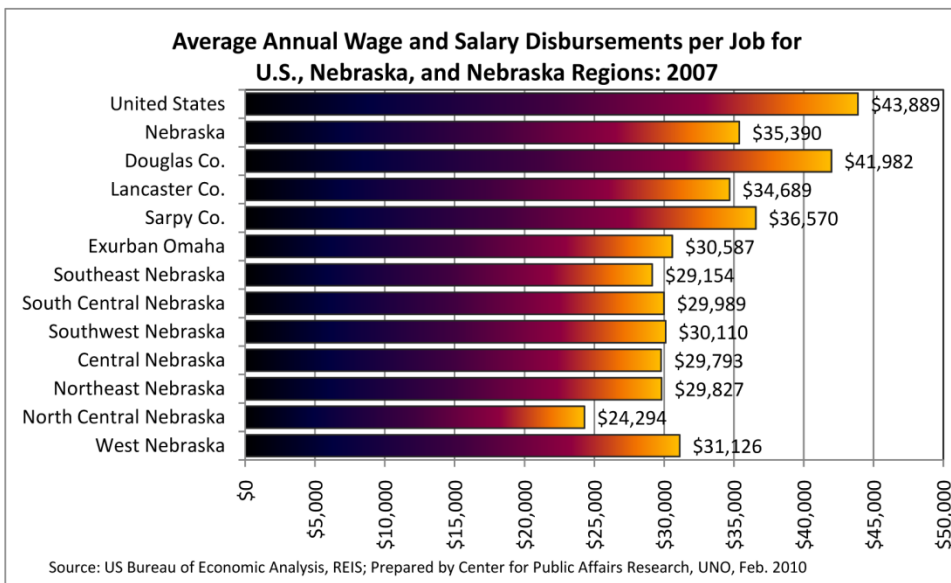
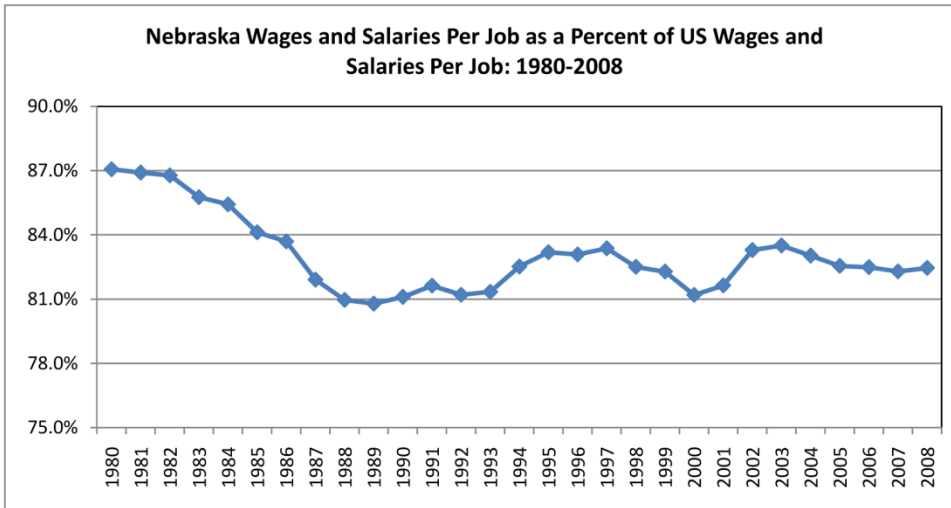
Source: U.S. Bureau of Economic Analysis, Regional Income Division, State Personal Income: 1969-2008

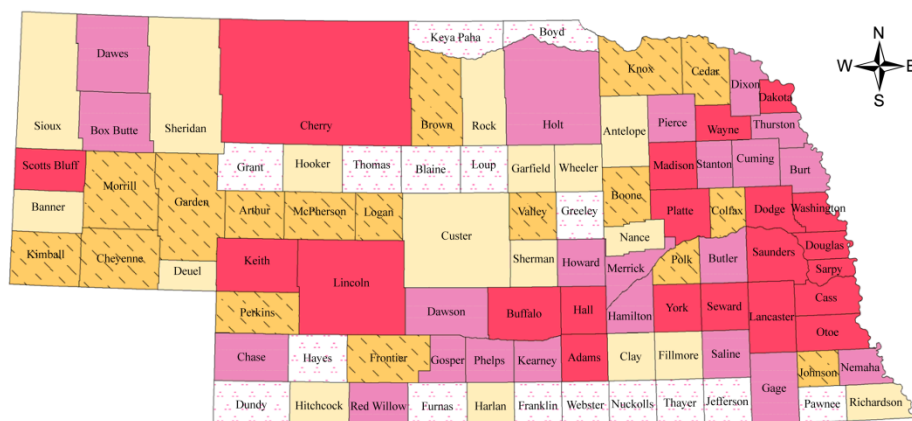
State	Amount	Rank
United States	\$45,716	--
Colorado	\$47,086	11
Minnesota	\$45,054	15
Wyoming	\$41,906	24
Missouri	\$41,050	27
Kansas	\$38,941	33
Nebraska	\$37,696	39
Iowa	\$36,202	44
North Dakota	\$34,846	47
South Dakota	\$32,685	51

The states in Nebraska's region have among the lowest wage and salary disbursements per job nationally. In 2008, Nebraska's average annual wage and salary disbursements per job of \$37,696 ranked 39th nationally and ranked 6th among its peers. Regionally, only Colorado (\$47,086) exceeded the national average. With wage and salary disbursements per job of \$32,846, South Dakota ranked last nationally. Iowa and North Dakota also ranked in the bottom ten states. At \$74,771, the District of Columbia recorded the highest wage and salary disbursements per job.

As a percentage of United States values, recent wage and salary disbursements per job have been below levels experienced in the early 1980s. Since 1984, Nebraska wages and salaries per job have fluctuated between 84 and 81 percent of the national value.

Regionally, only Douglas County (\$41,982) and Sarpy County (\$36,570) recorded wage and salary disbursements per job in 2007 that exceeded the state average. Both areas, however, were below the national value. Outside the state's three most populous counties, wages and salaries per job were 70 percent or more below the national average. The lowest values were in North Central Nebraska (\$24,294).



Ratio of Median Housing Value to Median Household Income, 2000

2000 Ratio of Median Housing Value to Median Household Income
Nebraska = 2.24



Source: Census 2000, Summary File 3 Data, U.S. Census Bureau
 Prepared by: Center for Public Affairs Research, University of Nebraska Omaha, April 2010

Ratio of Median Housing Value to Median Household Income: 2008

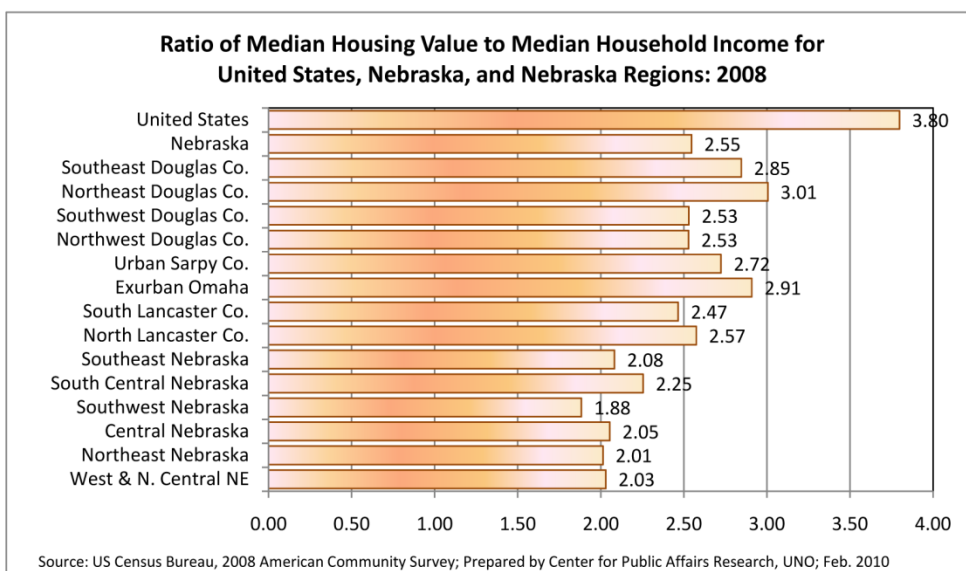
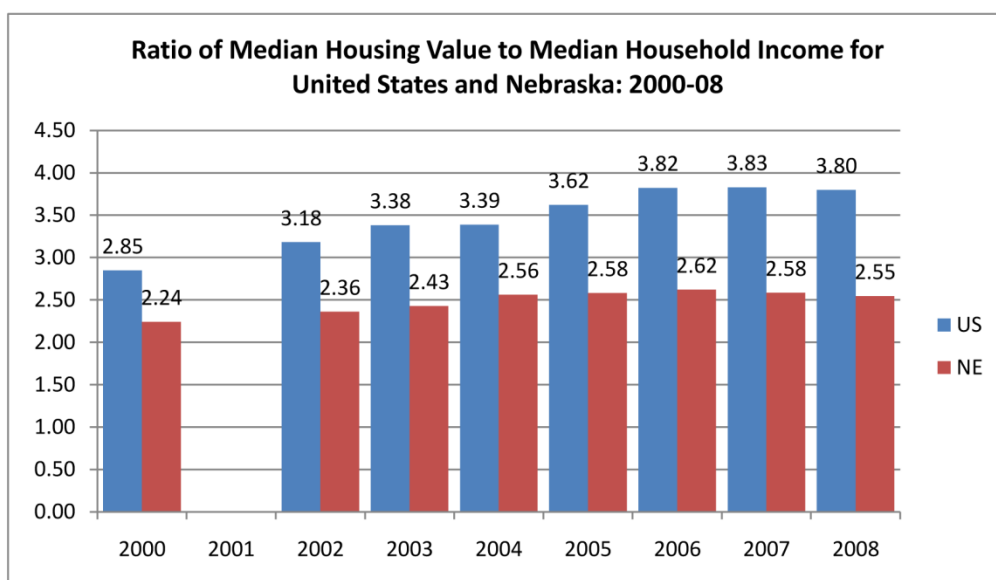
Source: U.S. Census Bureau, 2008 American Community Survey

State	Median Housing Value	Median Household Income	Ratio	Rank
United States	\$197,600	\$52,029	3.80	--
North Dakota	\$112,500	\$45,685	2.46	1
Iowa	\$120,700	\$48,980	2.46	1
Kansas	\$125,700	\$50,177	2.51	4
Nebraska	\$126,500	\$49,693	2.55	7
South Dakota	\$126,200	\$46,032	2.74	11
Missouri	\$141,500	\$46,867	3.02	15
Wyoming	\$188,200	\$53,207	3.54	25
Minnesota	\$213,800	\$57,288	3.73	26

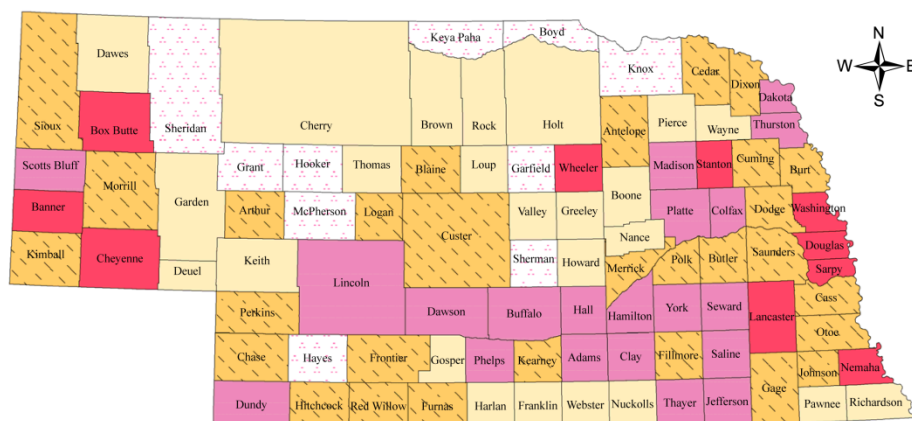
The states in Nebraska's region are among the most affordable when looking at the value of housing compared to income. In 2008, Iowa and North Dakota had the lowest ratio of median housing value to median income at 2.46. Kansas ranked 4th (2.51), and Nebraska ranked 7th (2.55). All of Nebraska's peers had a ratio below the national average of 3.80. The highest ratio of housing value to income was in Hawaii with a ratio of 8.33.

Since 2000, Nebraska's ratio of median housing value to median household income has increased slightly, but has remained relatively stable since 2004. The gap between the national ratio has widened over this period.

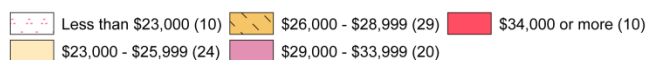
Looking at Nebraska's regions, the highest ratios of median housing value to median household income were in Northeast and Southeast Douglas Counties and in Exurban Omaha. In much of rural Nebraska, the median value of housing is around twice the median income. This is far below the national average of 3.80 (see map).



Average Annual Wage and Salary Disbursements per Job, 2007



**2007 Average Wage per Job
Nebraska = \$35,390**



Source: Regional Economic Information System, Bureau of Economic Analysis
Prepared by: Center for Public Affairs Research, University of Nebraska Omaha, April 2010

Nebraska Legislative Planning Database – Economy

Business Climate

The term business climate means different things to different people, and the results of business climate studies may vary widely. It is important to remember measures of business climate are subjective and reflect the bias of the organization preparing the measure.

How is Nebraska Doing?

Forbes Magazine Best States for Business: 2009

Source: Forbes.com

State	2009 Rank	2006 Rank
Colorado	4	6
North Dakota	7	13
Nebraska	9	10
Iowa	14	22
Kansas	15	21
South Dakota	16	23
Minnesota	17	11
Wyoming	22	31
Missouri	29	30

In 2009, Nebraska ranked 10th in overall business climate as measured by Forbes. This is up from 2006 when Nebraska ranked 10th. Two of Nebraska's peer states ranked higher: Colorado (4th) and North Dakota (7th). Nebraska ranked above North Dakota in 2006. Generally, the business climate (as measured by Forbes) of Nebraska's peer states ranks in the upper half of all states. Virginia had the best business climate, and Rhode Island had the worst according to Forbes.

America's Top States for Business: 2009 Overall Rankings

Source: CNBC.com

State	2009 Rank
Colorado	3
Iowa	4
Minnesota	6
Kansas	7
Nebraska	11
South Dakota	12
Wyoming	13
Missouri	14
North Dakota	16 (tie)

According to CNBC's rankings, Nebraska ranked as the 11th top state for business in 2009. Nebraska ranked in the middle of its peer states. Colorado, Iowa, Minnesota, and Kansas ranked higher, while South Dakota, Wyoming, Missouri, and North Dakota ranked lower. According to CNBC, Nebraska and its peer states comprise half of the top 16 states for business climate. Virginia had the highest ranking, and Alaska had the lowest ranking.

Nebraska Legislative Planning Database – Economy

Business Startups

New businesses are one indicator of economic growth and reflect the overall strength of an area's economy. Between 2005 and 2006, Nebraska ranked 43rd in business startups.

How is Nebraska Doing?

Business Startups: 2005-06

Source: U.S. Census Bureau, Statistics of U.S. Businesses

State	Percent Change in New Establishments 2005-06	Rank
United States	12.4	--
Colorado	14.7	6
Wyoming	13.2	11
Minnesota	11.6	26
Missouri	11.6	26
South Dakota	11.1	36
Kansas	10.5	40
Nebraska	10.4	43
Iowa	10.3	45
North Dakota	10.2	46

Between 2005 and 2006, Nebraska ranked 43rd in the percent change in new establishments (business startups) as 10.4 percent of the change in Nebraska establishments was due to business births. For the most part, Nebraska and its peers ranked in the bottom half of the states regarding business startups. Four of the bottom ten states (Kansas, Nebraska, Iowa, and North Dakota) were in the peer group. The strongest states were Colorado and Wyoming with respective rankings of 6th and 11th. For the US, 12.4 percent of the change in establishments was due to business births. Nevada had the highest growth (18.3 percent), and Ohio had the lowest growth (9.7 percent).

Nebraska Legislative Planning Database – Economy

Workforce Quality

A quality workforce is one that can adapt and thrive in a rapidly changing economy. Nebraska needs skilled workers to enhance its economic vitality and to compete in the global marketplace. Using the workforce quality measures in this section Nebraska generally ranks in the middle third of the states.

How is Nebraska Doing?

Individuals in Science and Engineering Occupations as Share of Workforce: 2006

Source: Science and Engineering Indicators, published by the National Science Board

State	Percent	Rank
United States	3.72	--
Colorado	5.27	6
Minnesota	4.46	9
Kansas	3.47	20
Nebraska	3.44	21
Missouri	3.34	25
Wyoming	2.77	36
Iowa	2.72	37
North Dakota	2.70	39
South Dakota	2.43	42

In 2006, Nebraska's share of the workforce in science and engineering occupations was 3.44 percent. This was slightly below the national average of 3.72 percent. Colorado lead the region with a percentage of 5.27 and ranked 6th nationally. Minnesota and Kansas also ranked higher than Nebraska, while Missouri, Wyoming, Iowa, North Dakota, and South Dakota ranked below Nebraska. Washington, DC had the largest share of its workforce in science and engineering occupations (21.59 percent), and Arkansas had the smallest (1.92 percent).

Worker Productivity (Gross State Product per Worker): 2008

Source: The Center for the Study of Innovation and Productivity (CSIP), Federal Reserve Bank of San Francisco

State	Output per Worker	Rank
United States	\$85,306	--
Colorado	\$87,852	13
Minnesota	\$81,011	21
South Dakota	\$76,328	29
Iowa	\$74,089	32
Nebraska	\$72,135	35
Kansas	\$71,770	37
Missouri	\$71,363	40
North Dakota	\$69,253	44

Most of Nebraska's peer states had productivity levels below the nation's output per worker of \$85,306. Nebraska ranked 35th nationally, with an output per worker of \$72,135. Colorado was the highest state in the area with output per worker of \$87,852 and a ranking of 13th. Other neighboring states ranking ahead of Nebraska were Minnesota, South Dakota, and Iowa. Kansas, Missouri, and North Dakota had lower output per worker than Nebraska. With an output per worker of \$116,999, Delaware ranked 1st nationally, while Montana ranked last with an output per worker of \$62,275.

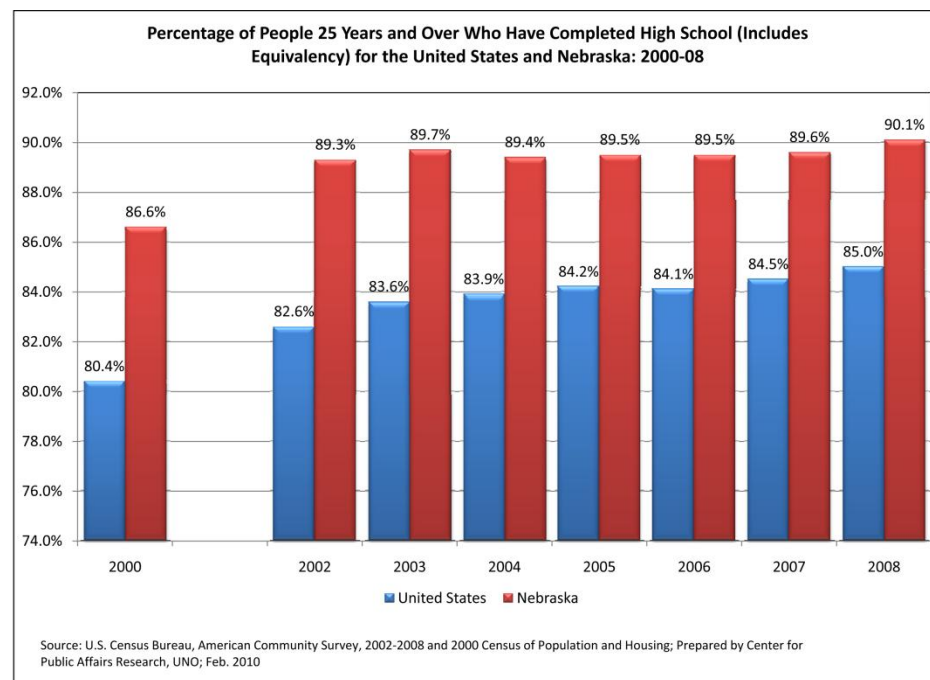
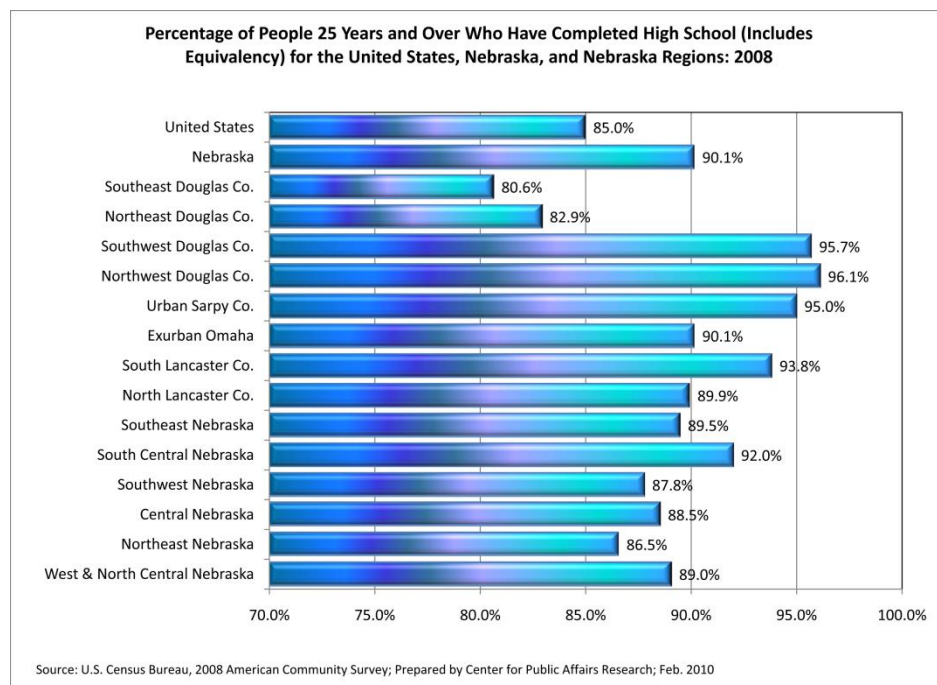
Percent of People 25 Years and Over Who Have Completed High School (Includes Equivalency): 2008

Source: US Census Bureau, 2008 American Community Survey

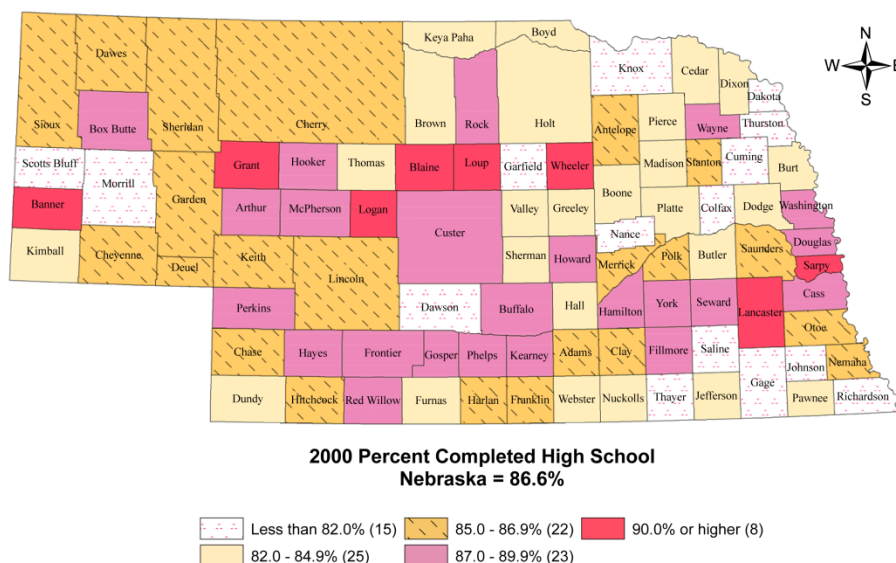
State	Percent	Rank
United States	85.0	--
Wyoming	91.7	1
Minnesota	91.6	2
Iowa	90.3	8
South Dakota	90.3	8
Nebraska	90.1	11
North Dakota	89.6	13
Kansas	89.5	16
Colorado	88.9	17
Missouri	86.5	18

Nebraska and all of its peers exceeded the national high school graduation rate of 85.0 percent. Wyoming was 1st in the nation with a rate of 91.7 percent. It was followed by Minnesota (91.6 percent) and Iowa and South Dakota (tied at 90.3 percent). Nebraska ranked 11th nationally, as 90.1 percent of its population 25 years or over completed high school. The lowest high school graduation rate nationally was in Texas (79.6 percent).

For 2008, regionally the lowest percentages of people 25 years or over who completed high school were in Southeast and Northeast Douglas County (see map). In contrast, the highest percentages were in Southwest and Northwest Douglas County. Generally, regions in rural Nebraska recorded high school graduation rates that were higher than the nation but lower than the state average.



**Percent of People 25 Years and Over Who Have Completed High School
(Includes Equivalency), 2000**



Source: Census 2000, Summary File 3 Data, U.S. Census Bureau
Prepared by: Center for Public Affairs Research, University of Nebraska Omaha, April 2010

**Percentage of People 25 Years and Over Whose Highest Level of Education is an Associate Degree:
2008**

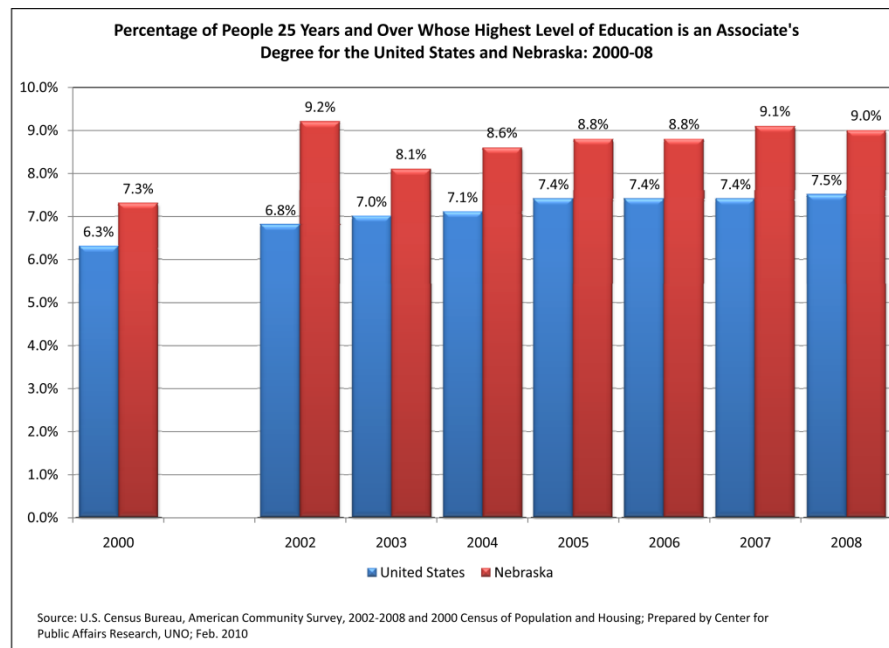
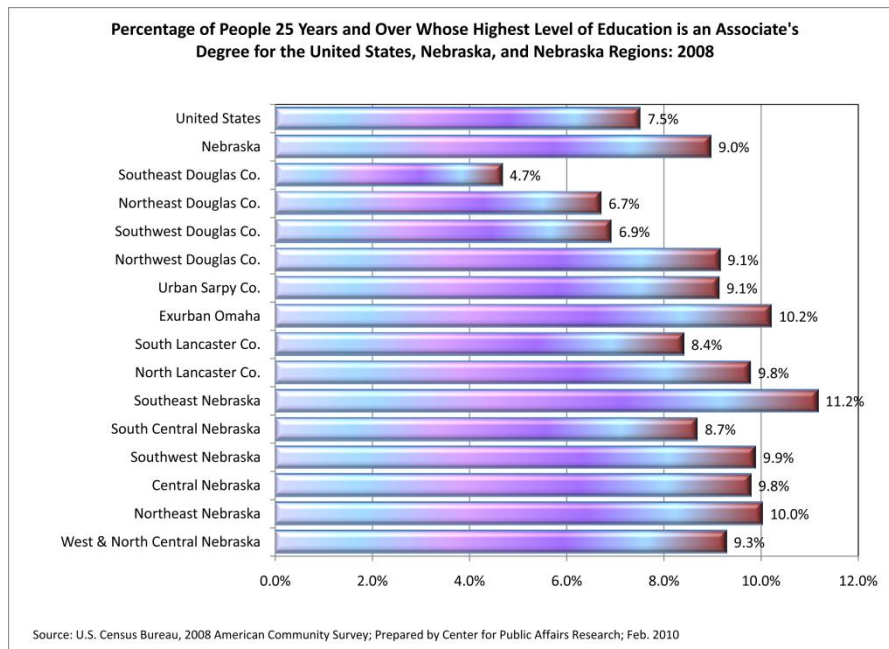
Source: U.S. Census Bureau, 2008 American Community Survey

State	Percent	Rank
United States	7.5	--
North Dakota	12.2	1
Wyoming	10.1	2
Iowa	9.7	4
Minnesota	9.7	4
South Dakota	9.7	4
Nebraska	9.0	11
Colorado	7.6	25
Kansas	7.4	31
Missouri	6.7	41

With the exception of Kansas and Missouri, Nebraska and its peers exceeded the national percentage of persons whose highest level of education was an Associate's Degree. Some of the people with Bachelor's or advanced degrees also may have had an Associate's Degree, but they are not included in this table. Nationally, 7.5 percent of the population 25 or over reported having an Associate's Degree as their highest level of education. North Dakota lead the nation with a rate of 12.2 percent and was followed by Wyoming with a rate of 10.1 percent. Iowa, Minnesota, and South Dakota tied for 4th with a rate of 9.7 percent. Nebraska's rate of 9.0 percent ranked 11th in 2008.

Since 2000, Nebraska's rate of persons with Associate's Degrees has been consistently larger than the national rate. With the exception of 2002, the rates for both Nebraska and the United States have shown steady growth since 2000.

For 2008, regionally (see map) the highest percentage of people 25 years or over whose highest education level was an Associate's Degree was in Southeast Nebraska (11.2 percent). The counties around Omaha and Northeast Nebraska had rates of 10.2 percent and 10.0 percent respectively. The lowest percentages were in Northeast and Southeast Douglas County. Generally, regions in rural Nebraska recorded rates for Associate's Degrees that were slightly higher than the state average.



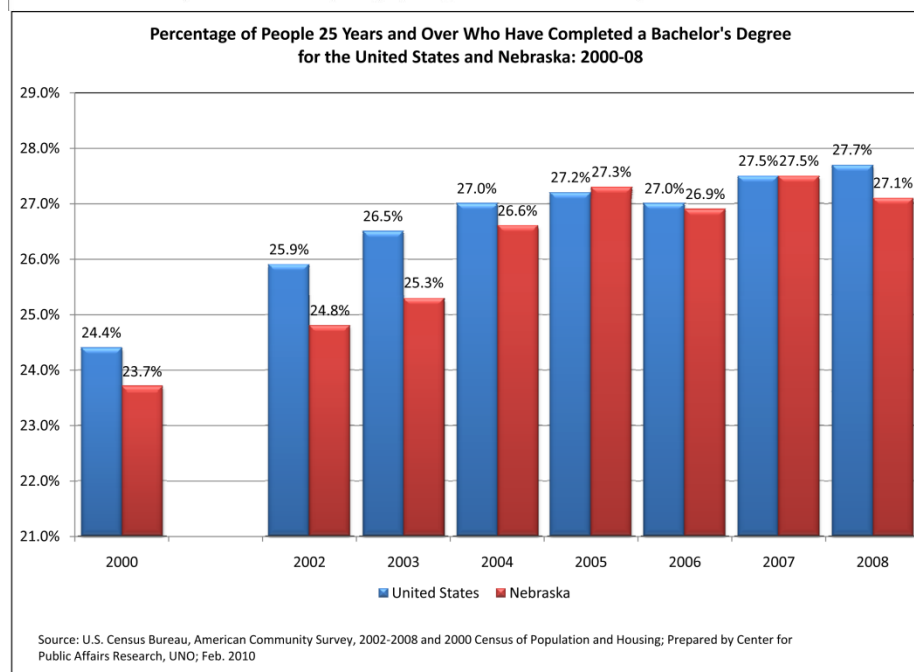
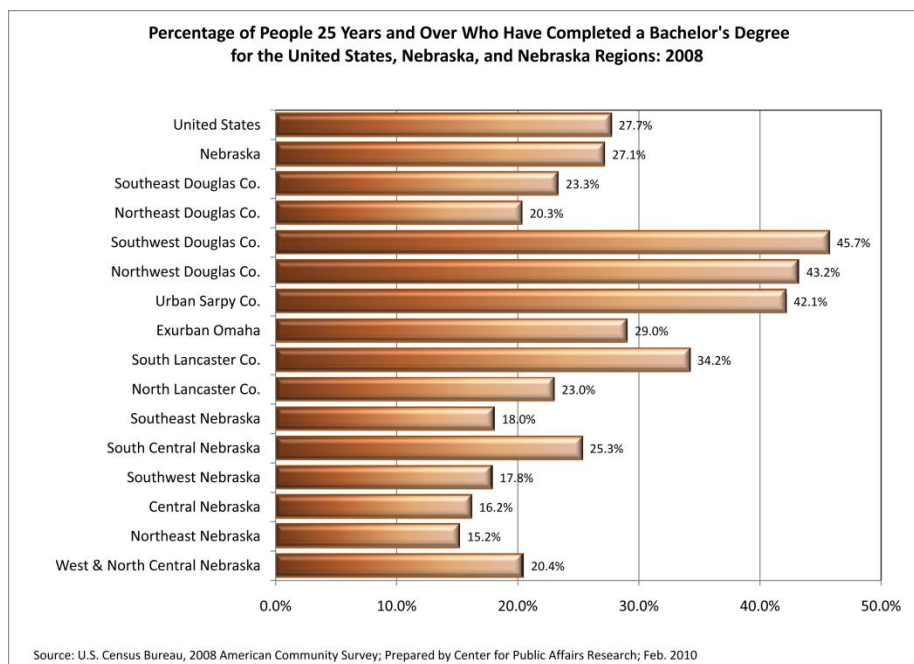
Percent of People 25 Years and Over Who Have Completed a Bachelor's Degree: 2008

Source: U.S. Census Bureau, 2008 American Community Survey

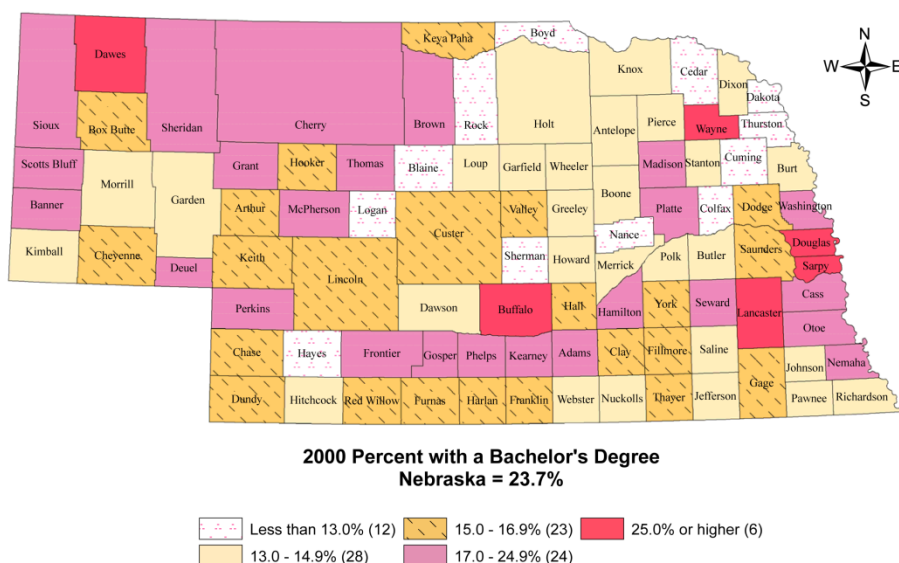
State	Percent	Rank
United States	27.7	--
Colorado	35.6	3
Minnesota	31.5	11
Kansas	29.6	15
Nebraska	27.1	23
North Dakota	26.9	25
South Dakota	25.1	32
Missouri	25.0	34
Iowa	24.3	37
Wyoming	23.6	41

In 2008, 27.1 percent of the people 25 years or over in Nebraska had completed a bachelor's degree. This ranked 23rd nationally and was below the national average of 27.7 percent. Of Nebraska's peer states, Colorado had the highest rate of bachelor's degrees (35.6 percent). Minnesota and Kansas also exceeded Nebraska's rate. North Dakota, South Dakota, Missouri, Iowa, and Wyoming ranked below Nebraska. The highest bachelor's degree completion rate was in Washington, DC, as 48.2 percent of its population 25 and over had a bachelor's degree. The lowest was in West Virginia, with a rate of only 17.1 percent.

Regions in rural Nebraska experienced very low rates of people with a bachelor's degree (see map). They were all below the state and national average. Northeast Nebraska had the lowest rate at 15.2 percent. The highest rates in 2008 were found in the Omaha area, as Southwest Douglas County, Northwest Douglas County, and urban Sarpy County all recorded more than 40 percent of the people 25 years and over with bachelor's degrees.



Percent of People 25 Years and Over Who Have Completed a Bachelor's Degree, 2000



Source: Census 2000, Summary File 3 Data, U.S. Census Bureau
Prepared by: Center for Public Affairs Research, University of Nebraska Omaha, April 2010

Percent of People 25 Years and Over Who Have Completed an Advanced Degree: 2008

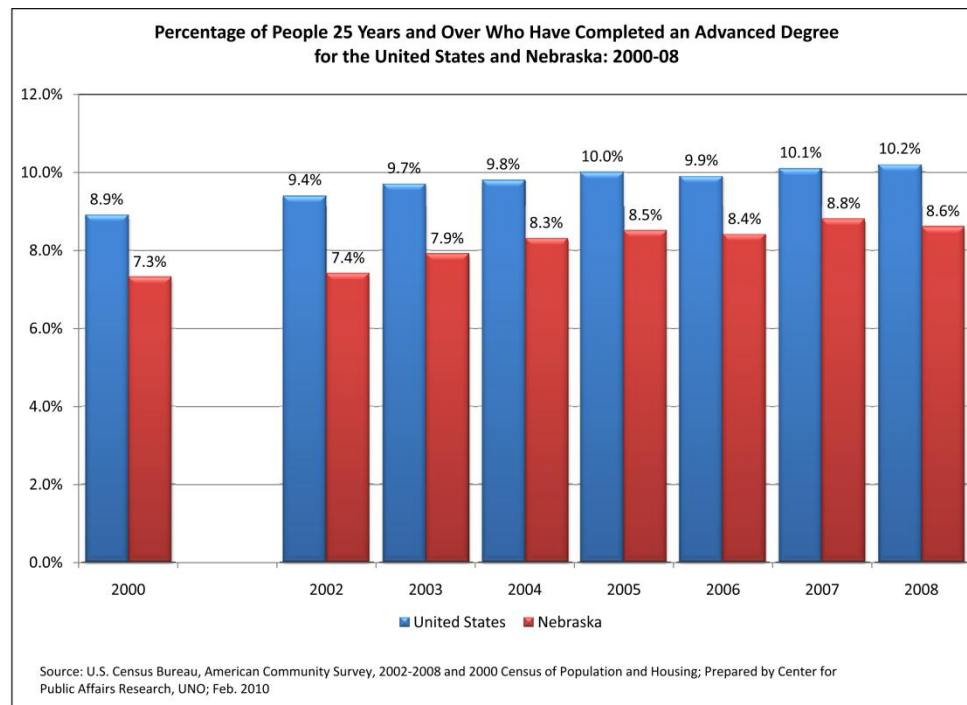
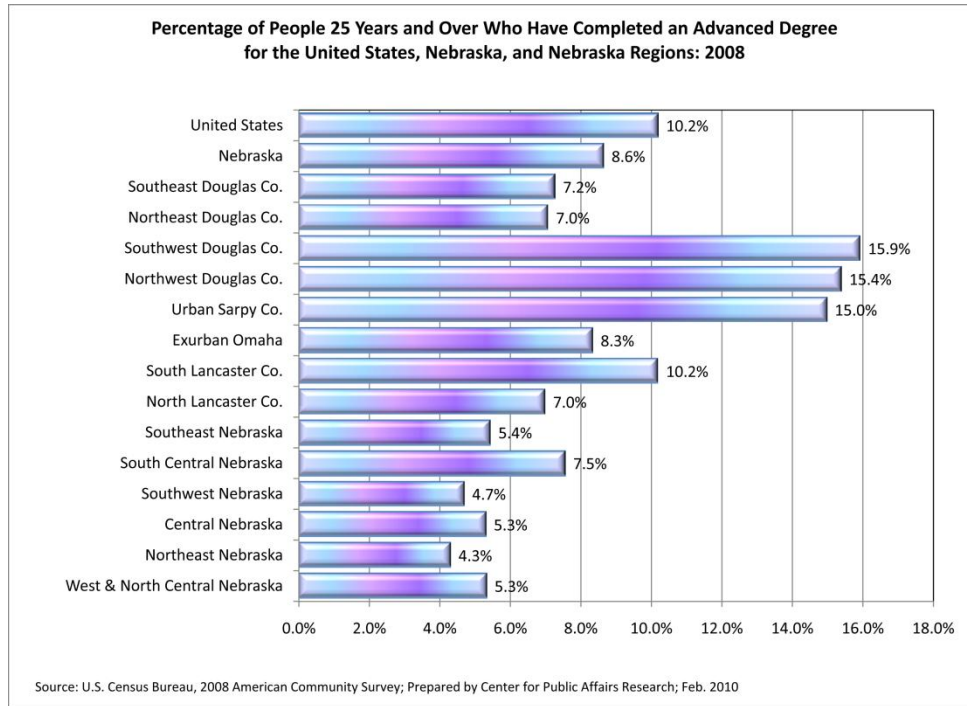
Source: US Census Bureau, 2008 American Community Survey

State	Percent	Rank
United States	10.2	--
Colorado	12.7	8
Kansas	10.1	17
Minnesota	10.0	19
Missouri	9.1	27
Nebraska	8.6	31
Wyoming	7.9	39
Iowa	7.3	43
South Dakota	7.3	43
North Dakota	6.6	49

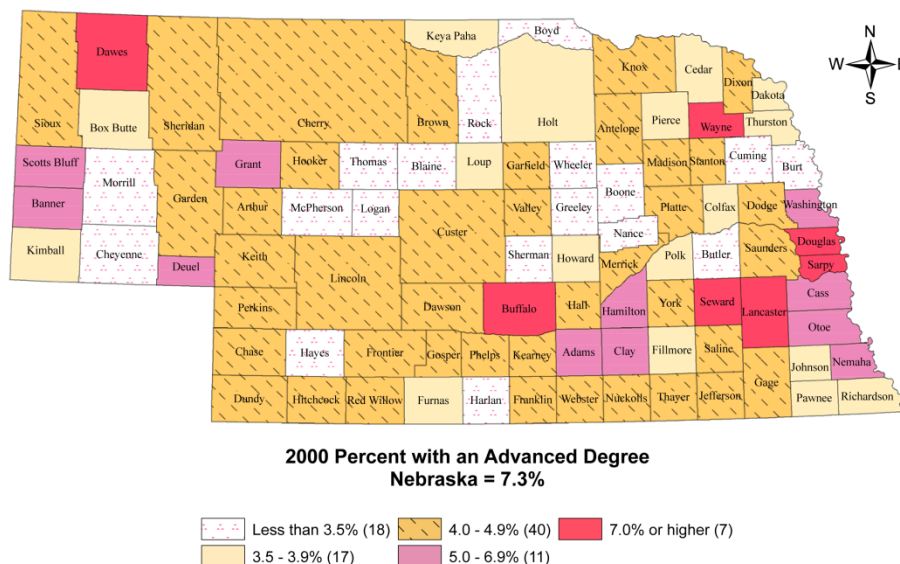
Nebraska's ranking slipped even further when looking at advanced degrees. In 2008, 8.6 percent of Nebraskans 25 years and over had an advanced degree. This compares to 10.2 percent for the nation and ranks 31st. Missouri moved ahead of Nebraska in rankings, but Nebraska was still ahead of Wyoming, Iowa, South Dakota, and North Dakota. Washington, DC recorded the highest rate (26.7 percent). The lowest percentage was in Arkansas (6.3 percent).

Regions in rural Nebraska also recorded low rates of people 25 years or older with advanced degrees in 2008 (see map). All of these regions were below the national and state averages. Northeast Nebraska

had the lowest rate, while the regions around Omaha again had the highest rates. Southwest Douglas County, Northwest Douglas County, and urban Sarpy County all had rates of 15.0 percent or higher.



Percent of People 25 Years and Over Who Have Completed an Advanced Degree, 2000



Source: Census 2000, Summary File 3 Data, U.S. Census Bureau
Prepared by: Center for Public Affairs Research, University of Nebraska Omaha, April 2010

Meeting Needs

A quality workforce is one that can adapt and thrive in a rapidly changing economy. Nebraska needs skilled workers to enhance its economic vitality and to compete in the global marketplace. States can create a high quality workforce by investing in education and skill training and creating educational and workforce systems that can adapt quickly to new skill requirements demanded by the market. States also can indirectly improve their workforce quality by promoting an environment that attracts businesses that require technology and innovation. Once these businesses enter the market, they will then demand skilled workers, which in turn will induce more individuals to invest in their education.

Nebraska Legislative Planning Database – Economy

Technology and Innovation

Succeeding in the new economy—or any economy—takes innovation. The top states for business prize innovation, nurture new ideas, and have the infrastructure to support them. It is important to remember measures of innovation are subjective and reflect the bias of the organization preparing the measure.

How is Nebraska Doing?

America's Top States for Business 2009, Technology and Innovation

Source: CNBC.com

State	2009 Rank
Minnesota	9
Colorado	11
Missouri	21
Iowa	24
Kansas	27
Nebraska	32
North Dakota	47
South Dakota	48
Wyoming	50

According to CNBC's rankings, Nebraska ranked as the 32nd state for technology and innovation in 2009. Nebraska ranked below most of its peer states. Minnesota, Colorado, Missouri, Iowa, and Kansas ranked higher, while North Dakota, South Dakota, and Wyoming ranked lower. Nebraska and its peer states generally fall in the bottom portion of the states for technology and innovation. California had the highest ranking, and Wyoming had the lowest ranking.

The 2007 State New Economy Index

Source: The Information Technology and Innovation Foundation

State	2007 Rank
Colorado	9
Nebraska	28
Kansas	34
Missouri	35
North Dakota	37
Iowa	38
Wyoming	43
South Dakota	48

In 2007, Nebraska ranked 28th on the State New Economy Index. Even with its relatively low ranking, Nebraska still ranked higher than all but one of its peer states (Colorado). Most of Nebraska's peer states ranked in the bottom third of all states. Massachusetts recorded the highest ranking, and West Virginia recorded the lowest ranking.

Meeting Needs

In their report, the Information Technology and Innovation Foundation says "States that focus their policy efforts in these areas will be well positioned to experience strong growth, particularly in per capita incomes. And that is the true objective. Developing a vibrant New Economy is not an end in itself; it is the means to advance larger, progressive goals: higher incomes, new economic opportunities, more individual choice and freedom, greater dignity and autonomy for working Americans, and stronger communities."